DOCUMENT RESUME

ED 117 384 CE 006 018

TITLE Nurse Training Act of 1975. Report Together with Additional Views and Minority Views [to Accompany H.R. 4115], Ninety-Fourth Congress, First Session, House of Representatives.
INSTITUTION Congress of the U.S., Washington, D.C. House.
REPORT NO H-94-143
PUB DATE 10 Apr 75
NOTE 71p.

EDRS PRICE MF-$0.83 HC-$3.50 Plus Postage
DESCRIPTORS Educational Finance; *Educational Legislation; *Educational Programs; *Federal Aid; Federal Legislation; Financial Support; Grants; Health Occupations Education; *Nursing; *Program Proposals
IDENTIFIERS *Nurse Training Act 1975

ABSTRACT

The report on the Nurse Training Act of 1975 focuses on the legislation to provide funds for nursing education through an amendment of title VIII of the Public Health Service Act. It proposes to continue, without change, for fiscal year 1975 the nurse training authorities of title VIII of the Act and to continue the authorities for fiscal years 1976-78 with modifications designed to meet the current needs in nursing. Support to schools include grants and interest subsidy payment for construction of nursing education facilities, institutional support in the form of capitation grants, financial distress grants, nursing student loans and scholarships, special project grants, professional nurse traineeships, contracts for improvement in nurse training, advanced nurse training programs, and nurse practitioner programs. A copy of a communication from President Ford which disapproves with the amendment due to economic needs of other priorities is included. A 46-page section focuses on a detailed analysis of the Act. Additional and minority views related to the passage of the bill are included. (Author/EC)

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ED117384

94TH CONGRESS 1st Session } HOUSE OF REPRESENTATIVES { REPORT No. 94-143

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NURSE TRAINING ACT OF 1975

APRIL 10, 1975.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. STAGGERS, from the Committee on Interstate and Foreign Commerce, submitted the following

REPORT

together with

ADDITIONAL VIEWS and MINORITY VIEWS

[To accompany H.R. 4115]

The Committee on Interstate and Foreign Commerce, to whom was referred the bill (H.R. 4115) to amend title VIII of the Public Health Service Act to revise and extend the programs of assistance under that title for nurse training, having considered the same, reports favorably thereon with amendments and recommends that the bill as amended do pass.

The amendments are as follows:

Page 4, line 21, strike out "801" the second time it appears and insert in lieu thereof "802".

Page 8, line 21, insert ", or ten students, whichever is greater, " after "number".

Page 18, line 10, insert "for registered nurses (irrespective of the type of nursing school in which the nurses received their training)" after "programs".

On page 18, strike out line 18 and all that follows down through and including line 4 on page 19, and insert the following:

> (B) After consultation with appropriate educational organizations and professional nursing and medical organizations, the Secretary shall prescribe guidelines for programs for the training of nurse practitioners. Such guidelines shall, as a minimum, require that such a program—
>
> (i) extend for at least one academic year and consist of—
>
> (I) supervised clinical practice, and
>
> (II) at least four months (in the aggregate) of classroom instruction,

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directed toward preparing nurses to deliver primary health care; and

(ii) have an enrollment of not less than eight students.

Page 19, insert "for a project" after "entered into" in lines 5 and 11.

Page 22, line 8, immediately before "and" insert "in subsection (b)".

Page 23, line 5, strike out "and" and insert in lieu thereof ", and for each of".

Page 23, line 7, strike out "and" and insert in lieu thereof ", and for each of".

Page 27, line 4, insert "and inserting in lieu thereof 'this subpart'" after "subsection" and before the period.

Page 27, line 18, insert "each place it occurs" immediately before "and".

Page 31, line 8, strike out "(i)" and insert in lieu thereof "(f)".

Summary of Legislation

The legislation proposes to continue, without change, for fiscal year 1975 the nurse training authorities of title VIII of the Public Health Service Act and proposes to continue the authorities for fiscal years 1976, 1977, and 1978 with modifications.

The proposed modifications for fiscal years 1976, 1977, and 1978:

(1) continue the existing authority for grants for construction of teaching facilities for diploma, associate degree, and collegiate schools of nursing and for loan guarantees and interest subsidies to assist in financing such construction;

(2) continue existing authority whereby diploma, associate degree, and collegiate schools of nursing receive "capitation" support, based on the number of students in such schools, modify the capitation formula as it relates to level of support and the period for which different types of programs are eligible for support, and provide alternative eligibility requirements for such support;

(3) continue the existing authority for financial distress grants to schools of nursing;

(4) modify existing authority for project grants to schools of nursing;

(5) add new authority to assist schools of nursing in the establishment of advanced nurse training programs;

(6) add new authority to assist schools of nursing in establishing programs for the training of nurse practitioners;

(7) continue the existing authority for traineeships for advanced training of professional nurses to become teachers, supervisors, clinical specialists and nurse practitioners;

(8) continue the existing authority for nursing student loans;

(9) continue the existing program for scholarships for nursing students;

(10) require the Secretary of Health, Education, and Welfare to collect, analyze and report on a continuing basis, information respecting the supply and distribution of and requirements for nurses; and

(11) prohibit the Secretary of Health, Education, and Welfare from delegating his authority to administer any program under this Act to any officer in any regional office.

Background

The legislative authority for existing programs under the Nurse Training Act (title VIII of the Public Health Service Act) expired on June 30, 1974. Funds for many of the provisions, such as institutional support, were obligated shortly before the end of fiscal 1974 for expenditure during the current school year. Through enactment of Public Law 93–385, the legislative authority of the Nurse Training Act for nursing student loans was extended through fiscal 1975. All other legislative authority is presently being funded under a continuing resolution.

On November 29, 1974, the Committee reported H.R. 17085, which would have revised and extended authorities under the Nurse Training Act for fiscal 1975, 1976, and 1977. H.R. 17085 passed the House of Representatives on December 12, 1974. On December 19, 1974, the Senate passed the bill with an amendment, and the House agreed to the Senate amendment on December 20, 1974. The bill was vetoed on January 4, 1975.

On February 6, 1975, most members of the Subcommittee on Health and the Environment reintroduced H.R. 17085 as H.R. 2957. Hearings were conducted on H.R. 2957 as well as other major legislative proposals intended to amend provisions of the Nurse Training Act and the Health Manpower Act (title VII of the Public Health Service Act).

H.R. 2957 was subsequently considered in open mark-up by the Subcommittee on Health and the Environment, amended, reported, and reintroduced as a clean bill, H.R. 4115, on March 4, 1975. H.R. 4115 was subsequently considered and ordered reported, with an amendment, by voice vote of the Committee on Interstate and Foreign Commerce on March 26, 1975.

Cost of Legislation

As reported by the Committee, the bill provides for a one year simple extension for fiscal year 1975, at fiscal 1974 authorization levels, and a three year extension, with modifications, for fiscal years 1976, 1977, and 1978, of the Nurse Training Act, with appropriation authorizations as shown in the following table.

TABLE 1.—NEW OBLIGATIONAL AUTHORITY FOR FISCAL YEARS 1975–78 UNDER H.R. 4115

[In millions of dollars]

	Fiscal year—				
	1975	1976	1977	1978	Total
Construction:					
Grants	(1)	20	20	20	80
Interest subsidies	(1)	1	1	1	3
Capitation	(1)	50	55	60	165
Financial distress	(1)	5	5	5	15
Special projects (grants and contracts)	(1)	15	15	15	45
Advanced nurse training (grants and contracts)	(1)	15	20	25	60
Nurse practitioner programs (grants and contracts)		15	20	25	60
Traineeships	(2)	15	20	25	60
Student loans	(3)	25	30	35	90
Scholarships	(3)	(3)	(3)	(3)	(3)
Total	(1)	161	186	211	558

[1] Simple 1 year extension of existing authority.
[2] Public Law 93-385, approved August 23, 1974, authorized $35,000,000 for student loans for fiscal 1975.
[3] Legislation provides statutory formula for allocation of appropriated funds among schools.

The authorizations may be compared to the following program budgetary experience. The comparable total authorizations were $214 million in fiscal 1973 and $236 million in fiscal 1974; fiscal 1974 appropriation was $140.75 million.

TABLE 2.—APPROPRIATION AUTHORIZATIONS, BUDGET REQUESTS, ACTUAL APPROPRIATIONS FOR NURSING TRAINING, 1964–71

[In thousands of dollars]

	1964	1965	1966	1967	1968	1969	1970	1971
NURSING								
Construction:								
Authorization	0	0	15,000	25,000	25,000	25,000	25,000	35,000
Budget request	0	0	15,000	25,000	25,000	[illegible]	[illegible]	[illegible]
Appropriation	0	0	15,000	25,000	25,000	[illegible]	[illegible]	[illegible]
Institutional (formula) grants (payments to diploma schools, 1965 through 1969):								
Authorization	0	4,000	7,000	10,000	10,000	10,000	[3] 35,000	[3] 40,000
Budget request	0	4,000	4,000	6,000	3,000	3,000	0	0
Appropriation	0	4,000	2,500	6,000	3,000	3,000	0	0
Institutional grants—Project grants for improvement of nurse training:								
Authorization	0	2,000	3,000	4,000	4,000	4,000	[3] 35,000	[3] 40,000
Budget request	0	2,000	3,000	4,000	4,000	4,000	[4] 8,400	11,500
Appropriation	0	2,000	3,000	4,000	4,000	4,000	[4] 8,400	11,500
Advanced traineeships:								
Authorization	(5)	8,000	9,000	10,000	11,000	12,000	13,000	18,000
Budget request	7,325	8,000	9,000	10,000	11,000	10,470	10,470	18,470
Appropriation	7,325	8,000	9,000	10,000	10,470	10,470	10,470	18,470
Scholarships (nursing educational opportunity grants, 1967 through 1969):								
Authorization	0	0	0	3,000	5,000	7,000	[3] 32,000	[3] 33,000
Budget request	0	0	0	750	5,000	6,000	12,000	17,000
Appropriation	0	0	0	500	5,000	6,500	7,178	17,000
Student loans:								
Authorization	0	3,100	8,900	16,900	25,300	30,900	20,000	21,000
Budget request	0	3,100	8,900	8,500	16,000	9,700	9,610	9,610
Appropriation	0	3,100	8,900	16,900	16,000	9,610	[6] 16,639	17,110

[1] $1,500,000 reserved until 1972.
[2] $35,000,000 and $40,000,000 authorized for both formula and project grants with stipulation that $15,000,000 of funds appropriated shall be available for project grants.
[3] $1,400,000 reserved.
[4] Indefinite.
[5] Reflects total amounts authorized by formula if full funding were available.
[6] $6,750,000 reserved.

TABLE 3.—APPROPRIATION AUTHORIZATIONS, BUDGET REQUESTS, ACTUAL APPROPRIATIONS FOR NURSE TRAINING, 1972–74

[In thousands of dollars]

	1972	1973	1974
Construction:			
Authorization	35,000	40,000	45,000
Budget request	0	0	0
Appropriation	19,500	20,000	20,000
Interest subsidies:			
Authorization	1,000	2,000	4,000
Budget request	200	1,000	1,000
Appropriation	200	1,000	1,000
Institutional grants (capitation):			
Authorization	78,000	82,000	88,000
Budget request	0	33,500	0
Appropriation	31,500	38,500	36,150
Institutional grants and contracts:			
Special projects for improvement of nurse training (grants and contracts):			
Authorization	27,000	28,000	35,000
Budget request	11,500	19,000	15,000
Appropriation	19,000	25,000	20,000
Full utilization grants and contracts:			
Authorization	3,000	5,000	6,000
Budget request	540	2,000	0
Appropriation	2,000	2,000	1,000
Financial distress grants:			
Authorization	15,000	10,000	5,000
Budget request	0	2,000	0
Appropriation	10,000	10,000	5,000
Startup grants:			
Authorization	4,000	8,000	12,000
Budget request	0	2,000	0
Appropriation	0	2,000	0
Advanced traineeships:			
Authorization	20,000	22,000	24,000
Budget request	11,470	11,500	0
Appropriation	11,470	12,500	13,700
Scholarships:			
Authorization	(1)	(1)	(1)
Budget request	17,000	19,500	11,000
Appropriation	19,500	21,500	20,500
Student loans:			
Authorization	25,000	30,000	35,000
Budget request	9,610	21,000	21,000
Appropriation	21,000	24,000	24,000

[1] No specified amount—based on formula in the legislation.

History of Nurse Training Legislation

The first comprehensive Federal legislation to provide funds for nursing education, the Nurse Training Act of 1964 (P.L. 88–581), demonstrated the recognition by the Congress that professional nursing personnel were essential to the health of the nation. Before enactment of the 1964 Act, 23% of the nursing positions in hospitals were unfilled. Many experts predicted nurse shortages of crisis proportion. The Nurse Training Act added title VIII, Nurse Training, to the Public Health Service Act which authorized a balanced program of Federal assistance to students and schools of professional nursing, with grants for construction of nursing education facilities, special projects to improve nurse training, formula payments for diploma schools, and low-cost, partially cancelable loans for nursing students. The Professional Nurse Traineeship program, established in 1956, was continued under this title and broadened to include advanced preparation in clinical specialties. Amendments in 1966 authorized nursing education opportunity grants for needy students and contracts to foster recruitment of such students.

Title II of the Health Manpower Act of 1968 (P.L. 90-490) broadened the nurse training provisions and extended the authority for two fiscal years, 1970 and 1971. The purposes for which special project grants could be awarded were expanded, and eligibility of applicants was modified. This Act authorized basic support for all three types of schools of nursing (diploma, associate degree and collegiate) and amended the loan provisions and cancellation features. A new program of nursing scholarships was added to replace nursing education opportunity grants and provide more flexibility for schools in making financial available assistance to meet student needs.

The Nurse Training Act of 1971 expanded and extended Federal assistance to nursing education through June 30, 1974, with major additions: basic institutional support in the form of capitation grants (grants based on the number of nursing students enrolled therein) to schools of nursing that agreed to expand their enrollments or provide training to prepare certain types of nurse practitioners; financial distress grants for schools of nursing; and start-up grants for new nurse training programs. The 1971 Act also increased the maximum Federal share of costs for nursing school construction, provided authority for construction of interim educational facilities, and authorized loan guarantees and interest subsidies for non-Federal loans for the building of nonprofit private nursing schools.

Contract authority was added to the authority for special project grants, and the authority for recruitment contracts was extended to include grants to accelerate recruitment and encourage full utilization of educational talent for nursing.

Major changes in the loan and scholarship provisions included increased annual ceilings on loans, extension of eligibility for loans and scholarships to half-time students, liberalized loan cancellation benefits, and Federal repayment of nursing education loans for service under specified circumstances.

Since the nurse training authorities of title VIII of the Public Health Service Act were established in 1964 more than $700 million has been awarded for student scholarships, loans, and traineeships; for construction and basic support for nursing education programs; and for projects to improve nursing education and recruitment. Levels of funding for these programs in fiscal years 1965–74 and grants and contracts awarded for this period are set forth below in table 4.

TABLE 4.—GRANTS AND CONTRACTS AWARDED FOR NURSE TRAINING, 1965–74

Program	Years authorized	Number of grants and contracts [1]	Total awards (thousands) [1]
Construction of nurse education facilities	1966–74	224	$144,264
Projects for improvement in nurse training	1965–74	717	7,586
Payments to diploma schools	1965–69	1,685	12,003
Nursing student loans	1965–74	8,099	154,208
Professional nurse traineeships	1965–74	1,572	108,085
Full utilization of nursing educational talent	1968–74	34	4,846
Nursing educational opportunity grants	1968–70	592	8,442
Nursing scholarships	1970–74	4,386	88,171
Capitation grants	1972–74	2,904	104,231
Financial distress grants	1972–74	173	11,290
Startup grants	1972–74	13	1,024

[1] Subject to final adjustment.

The provisions of title VIII of the Public Health Service Act have resulted in demonstrable gains in suitable facilities for nursing education, expanded and modernized clinical and academic curricula, and increased numbers of nursing education programs, faculty, and students. The provisions have fostered recruitment of and assistance to students from minority and socioeconomically disadvantaged backgrounds and encouraged upward mobility opportunities for licensed practical nurses and others with previous health service experience wishing to become registered nurses.

Since the inception of Federal support for nursing education in 1956, the supply of professional nurses has increased dramatically. The ratio of employed registered nurses to population has increased from 259 nurses per 100,000 people in 1956 to 361 per 100,000 in 1972. Hospital vacancy rates (unfilled nursing positions) have decreased from 23 percent in 1962 to less than 5 percent in 1972. While 74 percent of all active registered nurses are employed in hospitals, nursing homes and other health care institutions, and such employment remains the first preference of nursing students, growing numbers of registered nurses from all educational backgrounds are seeking advanced training as nurse practitioners. Many of those who choose to remain in the institutional setting are receiving advanced training in clinical specialties to better staff intensive care wards and special units for renal dialysis, cancer therapy, rehabilitation services and burn care as well as to prepare for administrative and supervisory roles.

Need for Legislation

Despite the advances in increasing the supply of professional nurses and the improvements which have been realized in the education of nursing students, this nation still faces a shortage of nursing personnel. The U.S. Public Health Service estimated that by 1975 this country would require one million professional nurses. Current supplies fall 50,000 below that goal. As more of our senior citizens enter nursing homes or require home health care services, the shortage will grow even larger. The inevitability of some form of national health insurance will strain our supply of nursing personnel even further. A concerted effort must be made to continue to increase the number of active professional nurses, by expanding enrollment in nursing education programs, to provide remedial education programs for those nurses who have left the work force to raise families, and to encourage licensed practical nurses and other allied health personnel to seek training as professional nurses.

The Committee has identified two additional areas of concern with respect to the pool of professional nurse personnel: the growing influence of foreign-trained nurses, which, in the Committee's view, could best be dealt with by revisions in the immigration law; and the geographic maldistribution of professional nurses.

A growing proportion of this country's supply of nursing personnel is foreign trained. The number of foreign trained nurses becoming licensed in the United States, which averaged 1.7 percent of the output by U.S. schools in 1950 and 10 percent in 1967, had grown to 17 percent in 1972, outstripping 1971 HEW estimates which predicted

16.4 percent by 1980. Table 5 shows the number of licensees issued to foreign trained nurses in 1971 and 1972 by State issuing such licenses.

TABLE 5.—LICENSES ISSUED TO REGISTERED NURSES FROM FOREIGN COUNTRIES,[1] BY METHOD OF LICENSURE AND STATE ISSUING LICENSE, 1971 AND 1972

State or territory	1971			1972
	Total	Examination	Endorsement	Examination and endorsement
Total	6,824	1,414	5,410	9,102
Alabama	6	2	4	11
Alaska	24	6	18	35
Arizona	34		34	18
Arkansas	5		5	
California	652	441	211	1,462
Colorado	55	14	41	34
Connecticut	46	42	4	57
Delaware	6	6		6
District of Columbia	[2]	[2]	[2]	[2]
Florida	84	2	82	78
Georgia	30		30	104
Guam	13	4	9	16
Hawaii	28	21	7	46
Idaho	9	2	7	9
Illinois	303	79	224	[4] 234
Indiana	48		48	75
Iowa	15	6	9	19
Kansas	12	12		15
Kentucky	20	9	11	5
Louisiana	16		16	25
Maine	15	6	9	35
Maryland	65	48	17	154
Massachusetts	169	144	25	148
Michigan	1,529		1,529	1,748
Minnesota	37	24	13	93
Mississippi	10	9	1	[3]
Missouri	32	22	10	56
Montana	8	6	2	6
Nebraska	8	6	2	7
Nevada	17	5	12	13
New Hampshire	19	9	10	21
New Jersey	203	185	18	228
New Mexico	288	1	287	9
New York	2,239		2,239	3,906
North Carolina	22	13	9	10
North Dakota	7		7	1
Ohio	67	47	20	93
Oklahoma	13	7	6	13
Oregon	126	12	114	168
Pennsylvania	54	27	27	72
Rhode Island	11	7	4	32
South Carolina	6		6	2
South Dakota	4		4	3
Tennessee	5	5		34
Texas	112	112		314
Utah	[3]	[3]	[3]	[3]
Vermont	16	5	11	11
Virgin Islands	15		15	18
Virginia	174	16	158	129
Washington	109	39	70	67
West Virginia	16	3	13	26
Wisconsin	14	9	5	8
Wyoming	8	1	7	10

[1] Includes those being licensed for the 1st time and those previously licensed in another State or territory of the United States.
[2] No report.
[3] Information not available.
[4] Estimate.

Source: American Nurses' Association, Statistics Department, "Annual Statistical Report from the State Boards of Nursing to American Nurses' Association for the Calendar Year 1972," Unpublished data.

This Committee is concerned by the growing reliance of this nation on foreign-trained health manpower, and would hope that increases in domestic supplies of health professionals would serve to obviate our present dependence on foreign graduates.

(3) Nurses are seriously maldistributed geographically in much the same pattern and for many of the same reasons as are physicians. As the following table indicates, the nurse: population ratio varies widely, from a high of 673 per 100,000 people in the District of Columbia to a low of 190 per 100,000 in Arkansas.

TABLE 6.—ADJUSTED TOTALS FOR EMPLOYED REGISTERED NURSES AND RATIO PER 100,000 POPULATION, BY STATE AND REGION, 1972

State and region	Employed nurses [1] (adjusted figure)	Nurse-population ratio [2]
United States	749, 979	380
New England	72, 328	596
Connecticut	17, 887	579
Maine	4, 815	464
Massachusetts	37, 620	649
New Hampshire	4, 445	572
Rhode Island	4, 712	485
Vermont	2, 854	612
Middle Atlantic	183, 245	485
New Jersey	31, 943	432
New York	89, 375	485
Pennsylvania	61, 927	519
South Atlantic	108, 963	340
Delaware	2, 935	514
District of Columbia	5, 020	673
Florida	25, 202	353
Georgia	12, 492	263
Maryland	14, 847	363
North Carolina	16, 649	318
South Carolina	7, 916	295
Virginia	16, 647	348
West Virginia	6, 255	350
East south-central	30, 909	235
Alabama	7, 847	223
Kentucky	8, 487	256
Mississippi	5, 129	226
Tennessee	9, 446	233
West south-central	47, 636	237
Arkansas	3, 776	190
Louisiana	9, 133	245
Oklahoma	6, 514	246
Texas	28, 213	240
East north-central	152, 089	370
Illinois	44, 783	397
Indiana	15, 841	298
Michigan	30, 546	335
Ohio	42, 032	389
Wisconsin	18, 887	416
West north-central	68, 044	406
Iowa	11, 959	413
Kansas	9, 098	400
Minnesota	19, 169	486
Missouri	14, 962	312
Nebraska	6, 802	443
North Dakota	2, 885	455
South Dakota	3, 149	462
Mountain	35, 322	393
Arizona	8, 513	428
Colorado	11, 780	491
Idaho	2, 518	329
Montana	3, 261	451
Nevada	1, 732	323
New Mexico	2, 778	258
Utah	3, 260	285
Wyoming	1, 480	425
Pacific	96, 443	352
Alaska	1, 399	422
California	68, 668	334
Hawaii	3, 110	380
Oregon	8, 790	399
Washington	14, 476	420

[1] Adjusted for nonresponse to questions on employment status and county of employment.
[2] Ratios based on 1972 population estimates, Market Statistics, N.Y., N.Y.

Source: American Nurses' Association, Statistics Department, "The Nation's Nurses: 1972 Inventory of Registered Nurses."

Mechanisms must be developed to encourage the establishment of nursing education facilities, and the location or relocation of professional nurses in areas which lack sufficient supplies of trained nursing personnel. Special project provisions of this legislation as well as legislation also reported by the Committee, H.R. 4114, which would revise and extend the National Health Service Corps Program, would encourage volunteer nursing personnel to serve medically underserved populations in the United States.

In view of the critical problems facing the nation with respect to adequate supply, training, and distribution of professional nurses,

this Committee has proposed extension of the Nurse Training Act through fiscal year 1978 with significant revision to reflect existing needs.

PROPOSED LEGISLATION

Due to the veto of the legislation adopted by the Congress in 1974, no authority presently exists which would continue provisions of the Nurse Training Act for fiscal 1975. In view of the fact that the proposed changes in existing authorities would require the promulgation of new regulations as well as new requirements for schools of nursing, the Committee has chosen to extend, at 1974 authorization levels, provisions of existing law. Thus, H.R. 4115 extends, through fiscal year 1975, the provisions of the 1971 Nurse Training Act and, for fiscal years 1976–1978, continues the program of support to schools and students with modifications designed to meet the greatest current needs in nursing—the preparation of nurse faculty, administrators, clinicians, and nurse practitioners. Support to schools include grants and interest subsidy payment for construction of nursing education facilities, institutional support in the form of capitation grants, financial distress grants, special project grants and contracts for improvement in nurse training, and beginning in fiscal year 1976 two new programs to assist schools of nursing and other educational entities in the development, expansion and operation of programs providing advanced nurse training and nurse practitioner training. Student support through the professional nurse traineeships, and nursing student loans and scholarship is continued.

CONSTRUCTION GRANTS, LOAN GUARANTEES AND INTEREST SUBSIDIES

The Nurse Training Act of 1964 authorized a program of matching grants to eligible nurse training programs for construction, expansion, or renovation of nursing education facilities. The Health Manpower Act of 1968 increased the previously authorized maximum Federal share from 50 percent to 66⅔ percent and authorized the inclusion of space for continuing education in the construction projects of baccalaureate and higher degree programs. The 1971 Act extended this authority through 1974 and added a new program of guarantees and interest subsidies for non-Federal construction loans for nonprofit private schools of nursing.

From December, 1965, through June, 1974, 224 construction grants were awarded—94 for baccalaureate and higher degree programs, 79 for associate degree programs, and 51 for diploma programs. Nine of the awards to baccalaureate and higher degree institutions included space for associate degree programs conducted within the same institutions. More than 11,000 new first year places have been provided in schools of nursing and approximately 34,000 student places maintained with the construction made possible through these grants.

The proposed legislation continues for fiscal year 1975 the existing authority for construction grants, loan guarantees and interest subsidies and provides an additional $60 million over the next three fiscal years for grants for the construction of new facilities. It also provided in schools of nursing and approximately 34,000 student places over fiscal years 1976–78 to assist nonprofit private schools of nursing with construction of nursing education facilities.

The Committee recognizes that many new nursing education programs are in need of teaching space and that many existing facilities need renovation or replacement. If nursing schools are to provide quality education to large numbers of students and provide settings for innovative instruction, then adequate and appropriate facilities, space and equipment are essential.

This is especially important for graduate programs where expansion is most needed, and thus, the Committee has, in this new legislation, specifically stipulated that grants may be awarded for expansion of existing programs to provide graduate training. The Committee also anticipates that priority in the award of construction grants for new facilities will be given to applicants from areas where there is a shortage of trained nursing personnel.

CAPITATION GRANTS

Basic support grants for all types of nursing education programs were authorized for the first time by the Nurse Training Act of 1971, based on the well-established need to maintain the quality of education in nursing schools by establishing a firm core of financial support. Such grants, termed "capitation" grants (formula grants to schools based on the number of nursing students enrolled therein) where authorized to be awarded to nursing schools that meet the following three requirements specified in the law: (1) expansion of enrollment; (2) maintenance of effort in the expenditure of funds from non-Federal sources; and (3) submission of a plan to carry out projects in at least three of eight specified categories. These projects included training nurses for new roles or levels of nursing, establishing cooperative interdisciplinary training among schools of nursing, effecting significant nursing curriculum improvements with a view toward assumption of greater patient care responsibility, and encouraging minority group enrollment and retention.

More than $100 million was awarded to eligible programs in fiscal years 1972–1974. In each of the three years approximately 95 percent of the applicants met the eligibility requirements. The awards by type of program for each of the three years are shown in table 6.

TABLE 7.—NURSING CAPITATION GRANTS, NUMBER AND PERCENT OF AWARDS AND NUMBER AND PERCENT OF FUNDS BY TYPE OF PROGRAM IN FISCAL YEARS 1972, 1973, AND 1974

	1972		1973		1974	
	Number of awards	Percent of awards	Number of awards	Percent of awards	Number of awards	Percent of awards
Total	875	100	948	100	981	100
Diploma	263	30	209	22	181	18
Associate	311	36	408	43	445	45
Baccalaureate	246	28	273	29	291	30
Graduate	55	6	58	6	64	7
	Amount of funds	Percent of funds	Amount of funds	Percent of funds	Amount of funds	Percent of funds
Total	$31, 439, 358	100	$38, 500, 000	100	$34, 341, 774	10
Diploma	8, 921, 283	28	8, 004, 766	21	5, 879, 508	17
Associate	9, 121, 615	29	13, 436, 990	35	12, 499, 413	36
Baccalaureate	12, 460, 912	40	15, 956, 976	41	15, 225, 821	44
Graduate	995, 548	3	1, 101, 268	3	937, 032	3

Testimony presented during hearings indicated that Federal capitation grants have permitted schools at all levels to prepare students who can practice in a variety of settings, to employ additional faculty and staff to compensate for increases in enrollment, and to research and develop new curricula. Capitation support has aided nursing schools in offering nursing education of a quality which would not otherwise be achieved on tight operating budgets.

The Committee has carefully considered the costs of the three types of undergraduate nursing education programs as determined by the Institute of Medicine cost study, the nursing and non-nursing components of their curricula, the length and completion rates of the different types of programs, and the relative costs and number of graduate programs of nursing education. On the basis of these deliberations, the Committee has decided on a more equitable formula for capitation grants which provides a different per capita amount and different enrollment basis for the three types of initial nursing education programs beginning in fiscal 1976, as follows:

(1) Each collegiate school of nursing is authorized to receive $400 for each student enrolled in each of the last two years of its undergraduate program.

(2) Each associate degree school of nursing is authorized to receive $275 for each student enrolled in the last year of its program and $275 for one-half of the students enrolled in the first year of its program.

(3) Each diploma school of nursing is authorized to receive $250 for each fulltime student.

In order to be eligible for capitation awards, schools will still be required to meet maintenance of effort requirements, but the Committee, recognizing the serious physical constraints which many schools experience, has developed a series of options to the previously mandated enrollment increase requirements. The optional requirements, designed to address current national needs, include training nurse practitioners, training students in sites remote from the main teaching facilities of the schools, providing continuing education programs for registered nurses, and operating programs to identify, recruit, enroll, and graduate students from disadvantaged backgrounds. The provisions for enrollment bonus students and practitioner students in the capitation grant formula will be repealed. Support for advanced nurse training programs and nurse practitioner training programs is authorized by separate new sections of the proposed legislation.

The Committee is concerned by the relatively high withdrawal rates experienced by all three types of programs. While such rates are considerably lower than withdrawal rates for college students in other fields of study, they are considerably higher than those experienced by other health professions schools. The Committee hopes that a more concerted effort will be made by nursing schools to identify potential students who would be more likely to graduate and thus become able to graduate a larger proportion of enrolled students.

FINANCIAL DISTRESS GRANTS

Assistance with costs of operation for schools of nursing in serious financial straits, and with costs of meeting accreditation requirements

were among the purposes for which special project grants could be awarded under the Health Manpower Act of 1968. Fifteen grants were made for this purpose in fiscal years 1970 and 1971.

The Nurse Training Act of 1971 provided a separate authority for this type of assistance which authorized financial distress grants to assist schools of nursing in serious financial straits to meet operational costs necessary to maintain quality educational programs or meet accreditation requirements. 173 financial distress grants totaling $11.3 million were awarded under this new authority.

Schools have used monies received from financial distress grants to meet emergency situations such as damage caused by floods, to maintain the quality of the nursing education program for a limited period pending availability of stable long-term support and to cover the costs of special efforts required to achieve program accreditation.

The proposed legislation continues, at existing levels, the 1974 authority for financial distress grants during fiscal year 1975, and provides $15 million for fiscal years 1976–78 to continue authority to provide assistance to schools of nursing which are in serious financial straits to meet operational costs necessary to maintain quality educational programs, or which have special need for financial assistance to meet accreditation requirements.

NURSING STUDENT LOANS AND SCHOLARSHIPS

The nursing student loan program first authorized under the Nurse Training Act of 1964 was designed to increase the number of nurses in practice by helping students finance costs of initial or graduate nursing education with long-term, low interest, loans that could be partially canceled through employment in nursing after graduation. This program made it possible for nursing students to borrow up to $1,000 in any academic year for full-time study. Up to 50 percent of the loans could be canceled for full-time employment as a professional nurse in any public or nonprofit private institution or agency.

The 1968 Act increased the maximum amount of a student loan to $1,500, and required that in awarding loans preference should be given to licensed practical nurses and first year students. Up to 100 percent of the loan could be canceled for service as a professional nurse in a public or non-profit private hospital in an area designated by the Secretary as having a substantial shortage of nurses.

The 1971 Act raised the maximum amount of the loan to $2,500 per student and included half-time as well as full-time study. The rate of loan cancellation was improved and a new provision for loan repayment was added.

More than $154 million has been awarded to schools of nursing for student loans since the initiation of the program. The number of schools participating in the loan program has increased from 426 in 1965 to 1,151 in 1974 and the number of students receiving assistance from 3,654 to 26,250.

The proposed legislation provides a simple extension of existing authority for fiscal 1975 and $90 million over fiscal years 1976, 1977, and 1978 (and such sums as are necessary for the next three fiscal years to permit students who have received loans during such period to complete their education) to schools of nursing for Federal capital

contributions to student loan funds. It also would defer loan repayment while the borrower is training to be a nurse anesthetist, in addition to the deferment available while pursuing other kinds of advanced nurse training.

A program of scholarships for nursing students of exceptional financial need was authorized by the Health Manpower Act of 1968. This program authorized grants to nursing schools for scholarships based on a fomula of $2000 times one-tenth of their full-time students. The maximum authorized scholarship award was $1500 per year. The Nurse Training Act of 1971 extended the authority for scholarships, and increased the maximum student scholarship per year to $2000 and revised the formula for scholarship grants to schools. It also extended eligibility to half-time students. The number of schools participating in the scholarship program increased from 677 in 1970 to 1,225 in 1974. The number of students assisted increased to an estimated 20,500.

In the Committee's view, continuation of the scholarship program is essential if needy students from disadvantaged backgrounds are to enter and complete nursing studies. The proposed legislation would extend the scholarship provisions of existing law and, if fully funded, will provide an estimated $201 million for fiscal years 1976, 1977 and 1978 in grants to schools of nursing.

PROFESSIONAL NURSE TRAINEESHIPS

The Professional Nurse Traineeship program has been the major source of Federal financial assistance for registered nurses to obtain the advanced educational preparation necessary for leadership positions in nursing. This traineeship support has enabled nurses to obtain the necessary knowledge and skills to serve in positions as teachers, administrators, supervisors and clinical specialists.

Originally authorized by the Health Amendments Act of 1956 (P.L. 84–911), this program was incorporated into the Nurse Training Act of 1964 and the nurse training authorities of 1968 and 1971. Since the inception of this program, more than 70,000 nurses received traineeships for long-term full-time study and/or short-term intensive courses. More than half of the nurses who had traineeship aid for long-term study under the 1964 and 1968 legislation were preparing for teaching.

At the time the program was established, few nurses held a bachelor's degree; thus traineeship support was made available for study at the baccalaureate as well as the master's level. In recent years, as the number of baccalaureate graduates increased, an increasing proportion of traineeship assistance has been awarded to nurses studying at the master's and doctoral level. It is the Committee's intention that, because of the availability of loans and scholarships under this Act for baccalaureate study and the pressing need for professional nurses with advanced training, priority consideration in the awarding of traineeships under this section shall be given to professional nurses studying at the master or doctoral level, or seeking advanced training in clinical specialties or as nurse practitioners.

The proposed legislation continues the existing traineeship program for fiscal year 1975 and authorizes $60 million over fiscal years 1976, 1977, and 1978 for the cost of traineeships for the training of

professional nurses to teach, to serve in administrative or supervisory capacities, and to serve as nurse practitioners or other nursing specialists.

SPECIAL PROJECTS FOR THE IMPROVEMENT OF NURSE TRAINING

Project grants for improvement in nurse training were first authorized by the Nurse Training Act of 1964 to assist schools of nursing in meeting the additional costs of projects designed to improve, strengthen, or expand nursing educational programs. Under the Health Manpower Act of 1968, the scope of the projects was broadened to include planning, development, and establishment of new programs of nursing education, and eligibility was extended to public and nonprofit private agencies, organizations, and institutions. The Nurse Training Act of 1971 continued and further broadened the authority for special project grants and included authority for contracts.

Special projects are the most significant of all the nurse training provisions in terms of effectiveness in improving nursing education nationwide. They have directly assisted schools and indirectly benefited the entire nursing education community as new information, publications, and multimedia instructional tools are disseminated for wider use and application.

Special project funds have been effective as mechanisms to substantially improve nursing curricula and have assisted in the establishment and development of new programs of basic, graduate, and specialized nursing education. These funds have also facilitated the introduction of preparation for expanded nurse roles into the curriculum of existing programs.

A total of 582 grants have been awarded under the special project grant authority. The following tabulation shows the number of grants completed and still underway in various categories.

TABLE 8.—NURSING SPECIAL PROJECT GRANTS, 1965-74

	Completed	Current
Category:		
Career development	10	44
Curriculum revision	94	65
Expanded clinical role	6	33
Faculty development	16	4
Instructional technology	62	21
New program	27	37
Program evaluation	14	[illegible]
Planning grants	61	[illegible]
Remedial services	15	9
Special financing	2	0
Total	307	275

The 1966 amendments to the nurse training authorities authorized a nursing education recruitment program, with special emphasis on attracting disadvantages and minority students. Section 868, "Full Utilization of Educational Talent for the Nursing Profession," provided authority for contracts with educational and other public and private nonprofit institutions to encourage qaulified young people of exceptional financial need to enter the nursing profession. Assistance was provided to schools and other groups to admission and retention of

individuals who are financially or otherwise disadvantaged as a result of socioeconomic factors. The Nurse Training Act of 1971 broadened this authority to provide for upward mobility in nursing through recruitment of licensed practical nurses, ex-medical corpsmen, and others. From 1968 through 1974, $4.8 million was awarded for 25 contracts and 9 grants.

The Committee feels that several of the seven special projects authorized in existing law are either duplicative or vague in purpose and that the purposes of the section, "programs to encourage full utilization of nursing educational talent," should be incorporated into the special projects section. As with the other authorities, the special projects section is extended at existing levels for fiscal 1975. Beginning in fiscal year 1976, the proposed legislation revises the existing special projects section and provides $45 million for fiscal years 1976, 1977, and 1978 for grants and contracts to meet the costs of projects for the following purposes: (1) mergers of nurse training programs or development of cooperative arrangements among hospitals and academic institutions, (2) assisting new or modified programs of research in nursing education (including programs in pediatric and geriatric nursing) and curriculum improvement, (3) increasing opportunities for individuals from disadvantaged backgrounds, (4) continuing education for nurses, (5) retraining opportunities for nurses, and (6) increasing supply and improving distribution of nurses by geographic area or specialty group.

While the Committee is impressed with the advances in nursing education made possible through the use of these funds, and would continue support of basic research in nursing education, it feels that certain areas should be stressed. The Committee is particularly aware of the critical need to develop programs which would prepare nurses for employment in patient care in nursing home settings. More and more of the professional nurses currently employed by nursing homes are absorbed by administrative duties, leaving patient care to ill-prepared aides and orderlies. An equally important concern of the Committee is the geographic maldistribution of nurses, discussed earlier in this report. Therefore, it is anticipated that in the awarding of grants and contracts under this section the Secretary afford special consideration to applications for special projects to promote educational programs in geriatric and pediatric nursing, and projects to improve the geographic distribution of nurses.

ADVANCED NURSE TRAINING PROGRAMS

The Committee recognizes a critical need for more nurses with advanced training. Many institutions which are now offering graduate programs in nursing must significantly expand these programs; others must be encouraged and assisted in developing such programs.

Clinical specialists in nursing are needed to complement the sophisticated level of medical care now being provided as a result of clinical research and technological developments in open heart surgery, burn therapy and renal dialysis. Nurses in a burn therapy unit must be familiar with control of infection through external application of antibiotics, nutritional levels essential to survival, and the problem

of oxygen loss. Coronary care units employing skilled nurses are effective in reducing in-hospital mortality of heart attack patients. The mortality rate is now typically about 20 percent, a reduction of 10 percent from that of a decade ago. The nurse, aided by modern monitoring equipment, is the key in these specialized patient care units.

The Committee is also aware of the continuing need to prepare professional nurses for supervisory and administrative duties, and for careers in nursing education. As growing numbers of nurses seek advanced training as clinical specialists and practitioners, a concomitant increase in the number of instructors prepared to provide such training must be effected.

Nursing schools are unable to establish new graduate programs which are expensive to initiate and maintain. In the development phases of a university-based graduate program, funds are needed for planning, consultation, research, and curriculum development. Highly qualified faculty must be secured or prepared to achieve the low student-faculty ratio needed for graduate education. Specialized practice settings must be found or developed for individualized experience in the various clinical specialties offered.

In recognition of these needs the proposed legislation authorizes a new, specially targeted program for the advanced training of nurses. This provision authorizes $60 million over fiscal years 1976, 1977, and 1978 for grants and contracts for projects at collegiate schools of nursing to plan, develop and operate, significantly expand, or maintain existing programs for the advanced training of graduates of all three types of nursing schools.

NURSE PRACTITIONER PROGRAMS

In 1971 this Committee noted that one way to increase the delivery of health care was by expanding the role of the nurse to include the performance of some tasks which in the past had been performed only by physicians. Consequently, the Nurse Training Act of 1971 included authority for special projects to encourage the preparation of nurses as pediatric nurse practitioners and other types of nurse practitioners, and for additional capitation awards to schools with training programs for nurse practitioners and nurse midwives.

A nurse practitioner is a registered nurse who has successfully completed a program of study designed to expand the nurse's knowledge and clinical skills level of responsibility in the provision of health care which combines selected services of the registered nurse and the physician in the delivery of primary health care. Nurse practitioners provide comprehensive health care to individuals, families and groups in homes, clinics, offices, institutions, industry, schools, and other health care settings. They are prepared to assess the health status of individuals, make decisions about treatment in collaboration with physicians, and to provide routine care, counseling and teaching to patients and families. A nurse practitioner can thus substantially extend the delivery of health services in rural and other underserved areas.

Three clinics have been established in New Mexico with family nurse practitioners providing most of the care. Starting with a demon-

stration in a rural community medical center where physician backup was provided by phone and a physician visited twice a week, this model was successfully transferred to two urban settings. Over a six month period, there were 11,674 patient encounters at these three clinics. Family nurse practitioners handled almost ninety percent of the encounters.

On isolated Deer Isle, Maine, the family nurse practitioner is the first contact a patient has with the health care system. She evaluates the patients as the primary practitioner and decides if she can handle the problem alone. If necessary she contacts the physician and together they decide upon the appropriate course of action. The nurse makes 200–250 visits per month. One quarter of these visits are to elderly people who frequently are homebound and would otherwise have little or no access to health care.

The Haywood-Moncure Health Center was established to improve health care in a depressed and underprivileged agricultural area of North Carolina. Here family nurse practitioners are the primary providers of care to families. The family nurse practitioners work collaboratively with physicians through regularly scheduled conferences to plan patient care. The physicians have a caseload of referred patients who the family nurse practitioners consider beyond their scope of practice, and the family nurse practitioner concentrates on followup of patients seen by the physicians.

Provision of services by nurse practitioners working either in a rural setting or in an inner-city area can help alleviate the existing maldistribution of health resources and bring needed health services to people who are now getting them. Additionally, nurse practitioners represent a potential health manpower pool which could significantly reduce health care costs. In the view of the Committee, significantly greater numbers of professional nurses, prepared at advanced levels for independent and collaborative health care delivery as nurse-midwives, pediatric, family, and geriatric nurse practitioners are needed. There is an especially critical need for nurses specially prepared to deal therapeutically with our large geriatric or elderly population—those who are institutionalized, as well as those living in the community. Nurses have shown great interest in this additional preparation and universities and colleges of nursing have responded in developing programs. Like all specialized preparation for health professionals, these programs are costly to establish, maintain and attend, and financial assistance is needed for both schools and students.

The proposed legislation therefore provides $60 million for fiscal years 1976, 1977 and 1978 for grants and contracts for projects at schools of nursing, medicine, and public health, as well as public or nonprofit private hospitals to plan, develop and operate, significantly expand, or maintain existing programs for the training of nurse practitioners. The Secretary is directed to develop guidelines for such programs for nurse practitioner training after consultation with professional organizations.

Agency Reports

The following communication was received from the Department of Health, Education, and Welfare, setting forth the comments of the Department on the provisions of H.R. 4115.

THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE,
Washington, D.C., March 5, 1975.

Hon. HARLEY O. STAGGERS,
Chairman, Committee on Interstate and Foreign Commerce, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: We understand that the Interstate and Foreign Commerce Committee intends to consider this week H.R. 4115, a bill to amend Title VIII of the Public Health Service Act to provide for support for nurse training. I enclose a copy of the President's Memorandum of Disapproval of H.R. 17085, a bill very similar to the one before you for consideration. Moreover, I would like to reiterate the Department's strong opposition to this legislation and strongly recommend that the Congress enact legislation recently submitted by the Department.

Although the Subcommittee on Health reduced somewhat the authorizations in H.R. 4115 from those in the disapproved bill, H.R. 17085, nevertheless they are still far in excess of the President's budget requests for fiscal year 1975 and fiscal year 1976. The Subcommittee bill would authorize $141.3 million for fiscal year 1975 and $161 million for fiscal year 1976 while the President's budget requests are $44.0 million and $32.9 million respectively. Moreover, the funding levels proposed for fiscal year 1977 and fiscal year 1978, i.e., $181 million and $211 million, cannot help but raise expectations far beyond what could reasonably be expected to be available for these activities.

Moreover, the reported bill does not meet in any significant measure any of the programmatic issues which concern the Administration. Continued emphasis on capitation for this undergraduate field is costly, inefficient, and unnecessary. Capitation subsidies to encourage enrollment expansion are not needed in view of the sizeable increase in the aggregate supply of nurses already realized, as well as those projected to occur in the future. Moreover, the capitation mechanisms do not permit scarce Federal resources to be targeted on addressing the needs of schools and students in underserved areas. The construction authority in the bill is not needed, the general student assistance provisions are largely duplicative of existing undergraduate student assistance programs offered by the Office of Education and are unnecessary, and the continued absence of any meaningful attempt to redress the unbalanced maldistribution of nurses is a serious flaw.

We strongly object to H.R. 4115 because of its unreasonable authorizations and because it is not a part of a comprehensive health professions authority aimed at addressing the problem of geographic maldistribution. I strongly recommend that the Committee favorably report the Administration's proposal.

We are advised by the Office of Management and Budget that there is no objection to the submission of this report from the standpoint of the Administration's program, and that enactment of H.R. 4115 would not be in accord with the program of the President.

Sincerely,

CASPAR W. WEINBERGER,
Secretary.

Enclosure.

THE WHITE HOUSE,
OFFICE OF THE WHITE HOUSE PRESS SECRETARY,
January 3, 1975.

MEMORANDUM OF DISAPPROVAL

I have withheld my approval from H.R. 17085, a bill that would amend Title VIII of the Public Health Service Act to provide support for the training of nurses.

This measure would authorize excessive appropriations levels—more than $650 million over the three fiscal years covered by the bill. Such high Federal spending for nursing education would be intolerable at a time when even high priority activities are being pressed to justify their existence.

I believe nurses have played and will continue to play an invaluable role in the delivery of health services. The Federal taxpayer can and should selectively assist nursing schools to achieve education reforms and innovations in support of that objective. The Administration's 1976 budget request will include funds for this purpose. Furthermore, I intend to urge the 94th Congress to enact comprehensive health personnel training legislation that will permit support of nurse training initiatives to meet the new problems of the 1970's.

This act inappropriately proposes large amounts of student and construction support for schools of nursing. Without any additional Federal stimulation, we expect that the number of active duty registered nurses will increase by over 50 percent during this decade.

Such an increase suggests that our inventives for expansion have been successful, and that continuation of the current Federal program is likely to be of less benefit to the Nation than using these scarce resources in other ways. One result of this expansion has been scattered but persistent reports of registered nurse unemployment particularly among graduates of associate degree training programs.

Today's very different outlook is not reflected in this bill. We must concentrate Federal efforts on the shortage of certain nurse specialists, and persistent geographic maldistribution. However, this proposal would allocate less than one third of its total authorization to these problems. Moreover, it fails to come to grips with the problem of geographic maldistribution.

Support for innovative projects—involving the health professions, nursing, allied health, and public health—should be contained in a single piece of legislation to assure that decisions made in one sector relate to decisions made in another, and to advance the concept of an integrated health service delivery team. By separating out nursing from other health personnel categories, this bill would perpetuate what has in the past been a fragmented approach.

The enrolled bill would also extend various special nursing student assistance provisions of current law. Nursing students are overwhelmingly undergraduates, and as such should be—and are—entitled to the same types of student assistance available generally under the Office of Education's programs for post-secondary education. These include, in particular, guaranteed loans and basic educational opportunity grants for financially hard pressed students. Categorical nursing stu-

dent assistance activities are not appropriate and should be phased out, as the Administration has proposed.

GERALD R. FORD.

INFLATION IMPACT STATEMENT

The Committee is unaware of any inflationary impact on the economy that would result from passage of the proposed legislation. The reported bill continues existing programs during fiscal 1975 at fiscal 1974 authorization levels. This proposed authorization represents only .9% of the total estimated Federal budget for health in fiscal 1975 and .07% of the total estimated Federal outlays for fiscal 1975.

The reported bill also contains a revision and extension of the existing authority for fiscal years 1976, 1977, and 1978. The authorizations for these fiscal years represent decreases from existing levels by a total of $75 million in fiscal 1976, $50 million in fiscal 1977, and $25 million in fiscal 1978, a recognition by the Committee of the need for fiscal economy in its consideration of existing programs. Furthermore, whereas fully 85% of the funds authorized in fiscal 1974 were for basic support of traditional nursing education, the proposed legislation represents a gradual shift toward support of innovative nursing education through special projects to improve geographic distribution, recruit individuals from disadvantaged backgrounds, and provided continuing and remedial training for professional nurses; and special projects to provide advanced training opportunities and train new nurse practitioners who will help to relieve current shortages of trained health professionals. By training professional nurses to perform many of the tasks traditionally performed by physicians, at less than one-third the cost of training a physician, the implementation of this legislation should promote better health care for many Americans at a significantly lower cost.

PROGRAM OVERSIGHT

The Committee's principal oversight activities with respect to this program have been conducted by the Subcommittee on Health and the Environment in connection with its consideration of the legislative authority. Legislative hearings on the program were conducted by the Subcommittee in May of 1974, and again, in February of 1975. Its findings are discussed in the report under Need for and Proposed Legislation as the proposed legislation is designed to respond to the Subcommittee's findings.

The Committee has not received oversight reports from either its own recently organized Subcommittee on Investigations and Oversight or the Committee on Government Operations.

SECTION-BY-SECTION ANALYSIS

Section 1. Short Title; References to Act

Section (1)(a) provides that the Act may be cited as the "Nurse Training Act of 1975".

Section (1)(b) provides that whenever in the Act an amendment or repeal is expressed in terms of amendments to, or repeal of, a section

or other provision, the reference is to a section or other provision of the Public Health Service Act (hereinafter, the PHS Act).

TITLE I—ONE-YEAR EXTENSION

Section 101. Extension of Existing Authorities Through Fiscal Year 1975

Section 101(a) amends section 801 of the PHS Act, relating to nursing school construction grants, to extend the authority through fiscal year 1975.

Section 101(b) amends section 806(i) of the PHS Act, relating to nursing school capitation grants, to extend the authority through fiscal year 1975.

Section 101(c) amends section 808 of the PHS Act, relating to nursing special projects and financial distress grants, to extend these authorities through fiscal year 1975.

Section 101(d) amends section 809 of the PHS Act, relating to nursing school construction loan guarantees and interest subsidies, to extend these authorities through fiscal year 1975.

Section 101(e) amends section 810(d) of the PHS Act, relating to nursing school start-up grants, to extend the authority through fiscal year 1975.

Section 101(f) amends section 860 of the PHS Act, relating to nursing scholarships, to extend the authority through fiscal year 1975, with provision for continuing through fiscal year 1978 of awards to students who initially received scholarship aid prior to June 30, 1975.

Section 101(g) amends section 868(b) of the PHS Act, relating to grants and contracts to encourage full utilization of educational talent for the nursing profession, to extend the authority through fiscal year 1975.

TITLE II—REVISION AND EXTENSION OF PROGRAMS THROUGH FISCAL YEAR 1978

Part A—Effective Date

Section 201. Effective Date

Section 201 provides that, except as otherwise specifically provided, the amendments made by title II of the bill shall take effect July 1, 1975, and that amendments made by title II to title VIII of the PHS Act are made to such Act as amended by title I of the bill.

Part B—Construction Assistance

Section 202. Extension of Grants and Loan Guarantees and Interest Subsidies

Section 202(a)(1) amends section 801 of the PHS Act to authorize appropriations of $20 million for fiscal year 1976, $20 million for fiscal year 1977, and $20 million for fiscal year 1978 for grants for construction of nursing school teaching facilities.

Section 202(a)(2) amends section 802(c)(1)(A) of the PHS Act to provide that in considering application for construction grants,

the Secretary shall take into account the relative effectiveness of proposed facilities in expanding the capacity of the school to provide graduate training.

Section 202(b)(1)(A) amends existing sections 809(a) and (b) of the PHS Act (redesignated as sections 805(a) and (b)) to extend for fiscal years 1976, 1977, and 1978 the authorities for loan guarantees and interest subsidies for construction loans made by non-Federal lenders to nonprofit private schools of nursing.

Section 202(b)(1)(B) amends existing section 809(a) of the PHS Act (redesignated as section 805(a)) to repeal existing provisions which require that, in case of default, no loan guarantee may apply to more than 90% of the loss of principal of and interest on the loan.

Section 202(b)(2) amends existing section 809(e) of the PHS Act (redesignated as section 805(e)) to provide that, of the amounts appropriated for the loan guarantee and interest subsidy fund, not more than $1 million in fiscal year 1976, $1 million in fiscal year 1977, and $1 million in fiscal year 1978 may be appropriated for interest subsidy payments.

Section 202(c) amends existing sections 809(a) and (b) of the PHS Act (redesignated as section 805(a) and (b)) to authorize the Secretary to make loan guarantees and interest subsidies for construction loans made to nursing schools by the Federal Financing Bank, in addition to the existing authority for such support for loans made by non-Federal lenders.

Section 203. Technical Amendments

Section 203(a)(1) amends title VIII of the PHS Act to insert after the heading for part A the following: "Subpart I—Construction Assistance".

Section 203(a)(2) amends the heading of part A of title VIII of the PHS Act to read: "Assistance for Expansion and Improvement of Nurse Training".

Section 203(b) redesignates existing section 809 of the PHS Act as section 805.

Part C—Capitation Grants

Section 205. Extension and Revision of Capitation Grants

Section 205(a) amends existing section 806(a) of the PHS Act (redesignated as section 810(a) by title III of this Act) by authorizing capitation payments as follows:

(1) Each collegiate school of nursing would receive $400 for each under-graduate full-time student enrolled in each of the last 2 years of such school.

(2) Each associate degree school of nursing would receive $275 for one-half the number of full-time students enrolled in the first year of such school and $275 for each full-time student enrolled in the last year of such school.

(3) Each diploma school of nursing would receive $250 for each full-time student enrolled in such school.

Section 205(b) repeals subsections (c), (d), (e), and (f) of existing section 806, of the PHS Act, relating to the definition of "enrollment bonus student," class size and application requirements for bonus en-

rollment students, maintenance of effort and enrollment increase requirements, and the plan requirement for capitation grants. It adds a new section 806(c) with the following provisions:

New section 806(c)(1) of the PHS Act requires that each school's application for a capitation grant contain or be supported by reasonable assurances satisfactory to Secretary that (A) such school will maintain its enrollment of first-year students in the school year beginning after the fiscal year in which the grant applied for is made at a level not less than the enrollment of such students in the preceding school year, and (B) such school will, during the fiscal year for which the grant is made, maintain the amount of non-Federal funds expended at a level not less than the average amount expended in the three preceding fiscal years.

New section 806(c)(2) of the PHS Act requires that each school meet one of the following additional requirements in order to be eligible for a capitation award:

(A) The applicant shall provide reasonable assurances that for the school year beginning after the close of the fiscal year in which a grant is made and for each school year thereafter beginning in a fiscal year in which a grant is made, the first-year enrollment of full-time students in the school will exceed the number of such students enrolled in the school year beginning during fiscal year 1975—

(i) by 10% of such number if the number was not over 100; or

(ii) by 5% of such number or ten students, whichever is greater, if such number was more than 100.

(B) The school has provided reasonable assurances that it will carry out, under a plan approved by the Secretary, one of the following programs in the school year beginning after the close of the fiscal year in which the grant is made and in each school year thereafter beginning in a fiscal year in which a grant is made:

(i) In the case of collegiate schools, a nurse practitioner training program.

(ii) A program under which students will receive a significant portion of clinical training in community health centers, long-term care facilities, and ambulatory care facilities geographically remote from the main site of teaching facilities of the school.

(iii) A program for the continuing education of nurses which meets needs identified by appropriate State, regional, or local health or educational entities (including health systems agencies).

(iv) A program to identify, recruit, enroll, retain, and graduate individuals from disadvantaged backgrounds under which program at least 10% of each year's entering class (or 10 students, whichever is greater) is composed of such students.

Section 205(c) amends existing section 806(i) of the PHS Act (redesignated as section 806(f) to authorize appropriations for capitation grants of $50 million for fiscal year 1976, $55 million for fiscal year 1977, and $60 million for fiscal year 1978.

Section 205(d) authorizes appropriations for fiscal years 1976, 1977, and 1978 of such sums as necessary to continue grants to nursing schools for "enrollment bonus students" enrolled in the schools before June 30, 1975.

Section 206. Technical Amendments

Section 206 (a) and (b) redesignate subsections (g), (h), and (i) of section 806 of the PHS Act as subsections (d), (e), and (f), respectively, and makes appropriate conforming amendments.

Section 206(c) amends title VIII of the PHS Act by inserting after section 805 the title: "Subpart II—Capitation Grants".

Section 207. Effective Date

The amendments made by Part C will take effect with respect to capitation grants made in fiscal year 1976.

Part D—Financial Distress Grants

Section 209. Extension of Financial Distress Grant Program

Section 209 adds after section 807 of the PHS Act a new subpart III, "Financial Distress Grants." New section 815 in this subpart extends for three years the program of financial distress grants to schools of nursing now authorized under section 805(b), as follows:

New Section 815(a) continues the authority of existing section 805(b) of the PHS Act, which authorizes grants to schools of nursing which are in serious financial straits to meet operational costs to maintain quality educational programs or which have special need for financial assistance to meet accreditation requirements.

New section 815(b)(1) provides that the Secretary may not approve or disapprove an application for a grant except after consultation with the Advisory Council on Nurse Training. Such consultation now is required under the general provisions of section 807 of the PHS Act.

New Section 815(b)(2) continues the requirement now contained in section 805(c) of the PHS Act that an applicant give assurances it will expend in carrying out its functions as a school during the fiscal year for which the grant is sought an amount of funds (other than for construction) from non-Federal sources which is at least as great as the average amount expended in the three years preceding the year for which the grant is sought. The Secretary would continue to have the authority, after consultation with the National Advisory Council on Nurse Training, to waive this requirement if enforcement of it would be inconsistent with the purposes of the financial distress grant program.

New Section 815(c) authorizes appropriations for financial distress grants of $5 million for each of the fiscal years 1976, 1977, and 1978.

Section 210. Technical Amendment

Section 210 repeals sections 805 and 808 of the PHS Act, the existing authority for special project assistance and financial distress grants, effective July 1, 1975.

Part E—Special Project Assistance

Section 215. Nursing Special Projects

Section 215(a) amends title VIII of the PHS Act to insert after subpart III of part A (as added by section 209 of this Act) a new "Subpart IV—Special Projects"; and revises in new sections 820, 821,

and 822 the special project authorities now contained in sections 805(a) and 868.

Special Project Grants and Contracts

New Section 820(a) authorizes grants to public or nonprofit private schools of nursing and other public or nonprofit private entities, and contracts with any public or private entity to meet costs of special projects for the following purposes:

(1) to assist in—

(A) mergers between hospital training programs or between hospital training programs and academic institutions, or

(B) other cooperative arrangements among hospitals and academic institutions,

leading to the establishment of nurse training programs;

(2) to plan, develop, or establish new nurse training programs or programs of research in nursing education, or significantly improve curricula of schools of nursing (including curriculums of pediatric nursing and geriatric nursing) or modify existing programs of nursing education;

(3) to increase nursing education opportunities for individuals from disadvantaged backgrounds, as determined in accordance with criteria prescribed by the Secretary, by—

(A) identifying, recruiting, and selecting such individuals,

(B) facilitating entry of such individuals into schools of nursing,

(C) providing counseling or other services designed to assist such individuals to complete successfully their nursing education,

(D) providing, for a period prior to the entry of such individuals into the regular course of education at a school of nursing, preliminary education designed to assist them to complete successfully such regular course of education,

(E) paying such stipends (including allowances for travel and dependents) as the Secretary may determine for such individuals for any period of nursing education, and

(F) publicizing, especially to licensed vocational or practical nurses, existing sources of financial aid available to persons enrolled in schools of nursing or who are undertaking training necessary to qualify them to enroll in such schools;

(4) to provide continuing education for nurses;

(5) to provide appropriate retraining opportunities for nurses who (after periods of professional inactivity) desire again actively to engage in the nursing profession;

(6) to help to increase the supply or improve the distribution by geographic area or by specialty group of adequately trained nursing personnel (including personnel who are bilingual) needed to meet the health needs of the Nation, including the need to increase the availability of personal health services and the need to promote preventive care; or

(7) to provide training and education to upgrade the skills of licensed vocational or practical nurses, nursing assistants, and other paraprofessional nursing personnel.

New section 820(b) continues the provision now contained in section 805(d) of the PHS Act authorizing the Secretary, with the advice of the National Advisory Council on Nurse Training, to provide assistance to heads of other departments and agencies of the government to encourage and assist in the utilization of medical facilities under their jurisdiction for nurse training programs.

New section 820(c) provides that the Secretary may not approve or disapprove an application except after consultation with the National Advisory Council on Nurse Training. Applications must provide for such fiscal control and accounting procedures and reports, and access to records of applicant, as the Secretary may require. These provisions now appear in section 807.

New section 820(d) authorizes appropriations of $15 million for each of the fiscal years 1976, 1977, and 1978 for special project grants and contracts and requires that not less than 10 percent of the funds appropriated for any fiscal year shall be used for special projects to increase nursing education opportunities for individuals from disadvantaged backgrounds.

Advanced Nurse Training Programs

New section 821(a) authorizes grants to or contracts with public and nonprofit private collegiate schools of nursing to meet costs of projects to (a) plan, develop, and operate, (b) significantly expand, or (c) maintain existing programs for the advanced training of professional nurses to be teachers, administrators or supervisors, or nursing specialists.

New section 821(b) authorizes appropriations of $15 million for fiscal year 1976, $20 million for fiscal year 1977, and $25 million for fiscal year 1978 for advanced nurse training programs.

Nurse Practitioner Programs

New section 822(a)(1) authorizes grants to and contracts with public or nonprofit private collegiate schools of nursing, medicine, and public health, public or nonprofit private hospitals and other public or nonprofit private entities to meet costs of projects to (a) plan, develop, and operate, (b) significantly expand, or (c) maintain existing, programs for the training of nurse practitioners.

New section 822(a)(2) defines the term "programs for the training of nurse practitioners" to mean educational programs for registered nurses (irrespective of the type of nursing school in which they received their training) which meet guidelines prescribed by the Secretary after consultation with appropriate professional nursing organizations, and which as a minimum require that the program—

(i) extend for at least one academic year consisting of I supervised clinical practice and II at least 4 months of classroom instruction, directed toward preparing nurses to deliver primary care; and

(ii) have a minimum enrollment of 8 students.

New section 822(b) requires that any grant or contract to plan, develop, and operate a nurse practitioner program, or to expand or maintain such a program, must contain assurances satisfactory to the Secretary that such program meets the guidelines prescribed by the Secretary.

New section 822(c) provides that grants or contracts may include the costs of preparation of faculty members in order to conform to guidelines prescribed by theSecretary.

New section 822(d) authorizes appropriations for grants or contracts for nurse practitioner programs of $15 million for fiscal year 1976, $20 million for fiscal year 1977, and $25 million for fiscal year 1978.

Section 215(b) repeals existing section 810 of the PHS Act; "Start-up Grants for New Nurse Training Programs" and existing section 868 of the PHS Act; "Grants and Contracts to Encourage Full Utilization of Education Talent for the Nursing Profession."

Section 216. Guidelines for Nurse Practitioner Training Programs

Section 216 requires the Secretary of Health, Education, and Welfare within 90 days of the enactment of this Act to prescribe guidelines for nurse practitioner programs.

Part F—Assistance to Nursing Students

Section 221. Extension of Traineeships

Section 221(a) extends the authority under existing section 821 of the PHS Act (redesignated as new section 830) with appropriation authorizations of $15 million for fiscal year 1976, $20 million for fiscal year 1977, and $25 million for fiscal year 1978 to cover costs of traineeships for the training of professional nurses to serve as teachers, administrators or supervisors, nurse practitioners or other nursing specialists.

Section 221(b) provides that, effective in fiscal year 1976, the Secretary shall give special consideration to applications for traineeship programs which conform to guidelines established for nurse practitioner training programs.

Section 222. Extension of Student Loan Program

Section 222(a) extends existing section 822(b)(4) of the PHS Act (redesignated as section 835) for three years (1976 through 1978) to continue the program of Federal capital contributions to school student loan funds.

Section 222(b) amends existing section 823(b)(2)(B) (redesignated as section 836) by adding training to be a nurse anesthetist to listed types of training for which loan repayment may be deferred.

Section 222(c) amends existing section 824 (redesignated as section 837) to provide appropriation authorizations for capital contributions to student loan funds of $25 million for fiscal year 1976, $30 million for fiscal year 1977, and $35 million for fiscal year 1978. It also provides that for fiscal year 1979 and each of the next two succeeding fiscal years, there are authorized to be appropriated such sums as necessary to enable students who received a loan before July 1, 1978, to continue or complete their education.

Section 222(d) amends existing section 826 (redesignated as section 839) to extend until September 30, 1980, the requirement that there be a capital distribution of the balance of the student loan fund.

Section 222(e) repeals existing section 827, the authority to make loans to school loan funds from the Student Loan Revolving Fund, and requires that the fund remain available to the Secretary for the

purpose of meeting his responsibilities under section 827 of the Public Health Service Act (as in effect before date of enactment of this Act.) It also authorizes to be appropriated without fiscal year limitation such sums as necessary to make payments to schools to cover certain costs incurred in making student loans from borrowed funds while the repealed provision was in effect.

Section 223. Extension of Scholarship Program

Section 223 extends the scholarship program under existing section 860 (redesignated as new section 845) for fiscal years 1976, 1977 and 1978.

TITLE III—TECHNICAL AND CONFORMING AMENDMENTS

Section 301. Technical and Conforming Amendments

Section 301 amends sections of title VIII of the PHS Act to make technical and conforming amendments necessitated by redesignation of sections, repeal of sections, and addition of new sections and makes other technical amendments.

Section 301(k)(4) adds a new section 856 to the PHS Act which prohibits the Secretary of Health, Education, and Welfare from delegating to any officer in any regional office or offices the authority to review, and prepare comments on the merits of, any application for a grant or contract under any program authorized by title VIII for purposes of presenting such application to the National Advisory Council on Nurse Training; or to make such a grant or enter into such a contract.

Section 302. Effective Date

Section 302 provides that the amendments made by section 301 shall take effect July 1, 1975.

TITLE IV—MISCELLANEOUS

Section 401. Information Respecting the Supply and Distribution of and Requirements for Nurses

Section 401(a) requires the Secretary of Health, Education, and Welfare to (1) determine on a continuing basis the supply, distribution, and current and future requirements for nursing personnel; (2) survey and gather data, on a continuing basis, on employment and compensation of nurses, numbers of nurses with advanced and specialty preparation, and foreign nurse graduates; and (3) develop procedures for determining nurse requirements for the United States and each State on both a current and projected basis.

Section 401(b) requires the Secretary to report to the Congress not later than February 1, 1977, and annually thereafter, on the data he has acquired under the required study, an analysis of such data, and recommendations for legislation which will achieve an equitable distribution and adequate supplies of nurses within the United States and within each State.

Section 401(c) provides that the Office of Management and Budget may review the Secretary's report under section 401(b) before its submission to Congress, but may not revise the report or delay its submission.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of Rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

PUBLIC HEALTH SERVICE ACT[1]

* * * * * * *

TITLE VIII—NURSE TRAINING

PART A.—GRANTS FOR EXPANSION AND IMPROVEMENT OF NURSE TRAINING

AUTHORIZATION OF APPROPRIATIONS FOR CONSTRUCTION GRANTS

SEC. 801. There are authorized to be appropriated for grants to assist in the construction of new facilities for collegiate, associate degree, or diploma schools of nursing, and for grants to assist in the replacement or rehabilitation of existing facilities for such schools, $35,000,000 for the fiscal year ending June 30, 1972, $40,000,000 for the fiscal year ending June 30, 1973, and $45,000,000 *each* for the fiscal [year] *years* ending June 30, 1974, *and June 30, 1975*.

CAPITATION GRANTS

SEC. 806. (a) * * *

* * * * * * *

(i) AUTHORIZATION OF APPROPRIATIONS.—

(1) There are authorized to be appropriated $78,000,000 for the fiscal year ending June 30, 1972, $82,000,000 for the fiscal year ending June 30, 1973, and $88,000,000 *each* for the fiscal [year] *years* ending June 30, 1974, *and June 30, 1975*, for grants under this section.

* * * * * * *

SEC. 808. For payments under grants and contracts under section 805(a) there are authorized to be appropriated $20,000,000 for the fiscal year ending June 30, 1972; $28,000,000 for the fiscal year ending June 30, 1973; and $35,000,000 *each* for the fiscal [year] *years* ending June 30, 1974, *and June 30, 1975*. There are authorized to be appropriated $15,000,000 for the fiscal year ending June 30, 1972, $10,000,000 for the fiscal year ending June 30, 1973, and $5,000,000 *each* for the fiscal [year] *years* ending June 30, 1974, *and June 30, 1975*, to make grants under section 805(b), and, to the extent that sums appropriated under this sentence are not used for such grants, for grants under section 805(a).

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[1] The following text reflect changes made in existing law by Title I of the bill, which extends existing authorities through fiscal year 1975.

LOAN GUARANTEES AND INTEREST SUBSIDIES

SEC. 809. (a) In order to assist nonprofit private schools of nursing to carry out construction projects for training facilities, the Secretary may, during the period beginning July 1, 1971, and ending with the close of June 30, [1974] *1975*, guarantee (in accordance with this section and subject to subsection (f) to non-Federal lenders making loans to such schools for such construction projects payment when due of the principal of and interest on any loan for construction of such facilities if the loan was made to a school which is eligible (as determined under regulations of the Secretary) for a grant under this part to assist a construction project for such facilities. The Secretary may make commitments, on behalf of the United States, to make such loan guarantees prior to the making of such loans. No such loan guarantee (1) may, except under such special circumstances and under such conditions as are prescribed by regulations, apply to any amount which, when added to any grant for construction under this part or any other law of the United States, exceeds 90 per centum of the cost of construction of the project, or (2) may apply to more than 90 per centum of the loss of principal of and interest on the loan.

(b) In the case of any nonprofit private school of nursing which is eligible (as determined under regulations of the Secretary) for a grant under this part to assist a construction project for training facilities, and to whom a loan has been made by a non-Federal lender to assist it in carrying out such project, the Secretary, during the period beginning July 1, 1971, and ending with the close of June 30, [1974] *1975*, may, subject to subsection (f), pay to the holder of such loan (and for and on behalf of the school which received such loan) amounts sufficient to reduce but not to exceed 3 per centum per annum the net effective interest rate otherwise payable on such loan.

* * * * * * *

(e) There is established in the Treasury a loan guarantee and interest subsidy fund (hereinafter in this subsection referred to as the "fund") which shall be available to the Secretary without fiscal year limitation, in such amounts as may be specified from time to time in appropriation Acts, (1) to enable him to discharge his responsibilities under guarantees issued by him under this section, and (2) for interest subsidy payments authorized by this section. There are authorized to be appropriated from time to time such amounts as may be necessary to provide the sums required for the fund; except that the amount appropriated for interest subsidy payments may not exceed $1,000,000 in the fiscal year ending June 30, 1972, $2,000,000 in the fiscal year ending June 30, 1973, and $4,000,000 in the fiscal year ending June 30, 1974, *or in the next fiscal year*. There shall also be deposited in the fund amounts received by the Secretary or other property or assets derived by him from his operations under this section, including any money derived from the sale of assets. If at any time the sums in the fund are insufficient to enable the Secretary to discharge his responsibilities under guarantees issued by him under this section

or to make interest subsidy payments authorized by this section, he is authorized to issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions, as may be prescribed by the Secretary with the approval of the Secretary of the Treasury, but only in such amounts as may be specified from time to time in appropriation Acts. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury shall purchase any notes and other obligations issued hereunder and for that purpose he may use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, and the purposes for which the securities may be issued under that Act are extended to include any purchase of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States. Sums borrowed

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START-UP GRANTS FOR NEW NURSE TRAINING PROGRAMS

SEC. 810. (a) * * *

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(d) There are authorized to be appropriated to carry out this section not to exceed $4,000,000 for the fiscal year ending June 30, 1972, $8,000,000 for the fiscal year ending June 30, 1973, and $12,000,000 each for the fiscal [year] *years* ending June 30, 1974, *and June 30, 1975*. Sums appropriated under this subsection shall remain available until expended.

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PART D—SCHOLARSHIP GRANTS TO SCHOOLS OF NURSING

SCHOLARSHIP GRANTS

SEC. 860. (a) The Secretary shall make grants as provided in this part to each public or other nonprofit school of nursing for scholarships to be awarded annually by such school to students thereof.

(b) The amount of the grant under subsection (a) for the fiscal year ending June 30, 1972, and for each of the next [two] *three* fiscal years to each such school shall be equal to $3,000 multiplied by one-tenth of the number of full-time students of such school. For the fiscal year ending June 30, [1975] *1976*, and for each of the two succeeding fiscal years, the grant under subsection (a) shall be such amount as may be necessary to enable such school to continue making payments under scholarship awards to students who initially received such awards out of grants made to the school for fiscal years ending before July 1, [1974] *1975*.

(c)(1) Scholarships may be awarded by schools from grants under subsection (a)—

(A) only to individuals who have been accepted by them for enrollment, and individuals enrolled and in good standing, as full-time or half-time students, in the case of awards from such grants for the fiscal year ending June 30, 1972, and the next [two] *three* fiscal years; and

(B) only to individuals enrolled and in good standing as full-time or half-time students who initially received scholarship awards out of such grants for a fiscal year ending prior to July 1, [1974] *1975*, in the case of awards from such grants for the fiscal year ending June 30, [1975] *1976*, and each of the two succeeding fiscal years.

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GRANTS AND CONTRACTS TO ENCOURAGE FULL UTILIZATION OF EDUCATIONAL TALENT FOR THE NURSING PROFESSION

SEC. 868. (a) * * *

(b) For the purpose of carrying out the provisions of this section, there is authorized to be appropriated $3,500,000 for the fiscal year ending June 30, 1972; $5,000,000 for the fiscal year ending June 30, 1973; and $6,500,000 *each* for the fiscal [year] *years* ending June 30, 1974], *and June 30, 1975.*

PUBLIC HEALTH SERVICE ACT[2]

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TITLE VIII—NURSE TRAINING

PART A—[GRANTS] *Assistance* FOR EXPANSION AND IMPROVEMENT OF NURSE TRAINING

Subpart I—Construction Assistance

AUTHORIZATION OF APPROPRIATIONS FOR CONSTRUCTION GRANTS

SEC. 801. There are authorized to be appropriated for grants to assist in the construction of new facilities for collegiate, associate degree, or diploma schools of nursing, and for grants to assist in the replacement or rehabilitation of existing facilities for such schools, $35,000,000 for the fiscal year ending June 30, 1972, $40,000,000 for the fiscal year ending June 30, 1973, [and] $45,000,000 each for the fiscal years ending June 30, 1974, and June 30, 1975, *$20,000,000 for fiscal year 1976, $20,000,000 for fiscal year 1977, and $20,000,000 for fiscal year 1978.*

APPROVAL OF APPLICATIONS FOR CONSTRUCTION GRANTS

SEC. 802. (a) The Secretary may from time to time set dates (not earlier than in the fiscal year preceding the year for which a grant is

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[2] The following text reflects changes in existing law (as amended by title I of bill) made by titles II and III of the bill, which revise and extend programs, and make necessary technical amendments effective July 1, 1975.

sought) by which applications for grants under this [part] *subpart* for any fiscal year must be filed.

(b) A grant for a construction project under this [part] *subpart* may be made only if the application therefor is approved by the Secretary upon his determination that—

(1) the applicant is a public or nonprofit private school of nursing providing an accredited program of nursing education;

(2) the application contains or is supported by reasonable assurances that (A) for not less than twenty years (or in the case of interim facilities, within such shorter period as the Secretary shall by regulation prescribe) after completion of construction, the facility will be used for the purposes of the training for which it is to be constructed, and will not be used for sectarian instruction or as a place for religious worship, (B) sufficient funds will be available to meet the non-Federal share of the cost of constructing the facility, (C) sufficient funds will be available, when construction is completed, for effective use of the facility for the training for which it is being constructed, and (D) in the case of an application for a grant for construction to expand the training capacity of a school of nursing, the first-year enrollment at such school during the first full school year after the completion of the construction and for each of the nine years thereafter will exceed the highest first-year enrollment at such school for any of the five full school years preceding the year in which the application is made by at least 5 per centum of such highest first-year enrollment, or by five students, whichever is greater, and the requirements of this clause (D) shall be in addition to the requirements of section [806(e) of this Act] *810(c)*, where applicable;

(3) (A) in the case of an application for a grant for construction of a new facility, such application is for aid in the construction of a new school of nursing, or construction which will expand the training capacity of an existing school of nursing, or (B) in the case of an application for a grant to assist in the replacement or rehabilitation of existing facilities, such application is for aid in construction which will replace or rehabilitate facilities of, or used by, an existing school of nursing, which facilities either are so obsolete as to require the school to curtail substantially either its enrollment or the quality of the training provided or are required to meet an increase in student enrollment;

(4) the plans and specifications are in accordance with regulations relating to minimum standards of construction and equipment; and

(5) the application contains or is supported by adequate [assurance that any laborer or mechanic] *assurances that all laborers and mechanics* employed by [any contractor or subcontractor] *contractors or subcontractors* in the performance of work on [the construction of the facility] *a project* will be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the [Davis-Bacon Act, as amended (40 U.S.C. 276a–276a5). The] *Act of March 3, 1931 (40 U.S.C. 276a–276a–5, known as the Davis-Bacon Act), and the* Secretary of Labor shall have [,] with respect to [the] *such* labor standards [specified in this paragraph,]

the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; [64 Stat. 1267] *5 U.S.C. Appendix*) [,] and section 2 of the Act of June 13, 1934 [, as amended] (40 U.S.C. 276c).

Before approving or disapproving an application for a construction project under this [part] *subpart*, the Secretary shall secure the advice of the National Advisory Council on Nurse Training established by [section 841 (hereinafter in this part referred to as the "Council")] *section 251*. [If a school of nursing applies for a grant in a fiscal year for a construction project to expand its training capacity and if under paragraph (2) of subsection (e) of section 806 such school is not required to meet in such fiscal year the enrollment increase prescribed by such subsection because of limitations of physical facilities, the Secretary, after consultation with the National Advisory Council on Nurse Training, may waive (in whole or in part) the enrollment increase prescribed by paragraph (2)(D) of this subsection if the application for such construction project contains or is supported by reasonable assurances satisfactory to the Secretary that the number of first-year students enrolled at such school during the first full school year after the completion of such project and for each of the next nine school years thereafter will be not less than the number of first-year students that such school would be required to enroll under section 806 (e) (without regard to paragraph (2) thereof) for a grant under section 806(a).]

(c) In considering applications for grants, the Council and the Secretary shall take into account—

(1)(A) in the case of a project for a new school or the expansion of the facilities of an existing school, the relative effectiveness of the proposed facilities (*i*) in expanding the capacity for the training of first-year students of nursing in the field involved and in promoting an equitable geographical distribution of opportunities for such training (giving due consideration to population, relative unavailability of nurses of the kind to be trained by such school, and available resources in various areas of the Nation for training such nurses), *or* (*ii*) *in expanding the capacity of the school to provide graduate training*; or

(B) in the case of a project for replacement or rehabilitation of existing facilities of a school, the relative need for such replacement or rehabilitation to prevent curtailment of the school's enrollment or deterioration of the quality of the training provided by the school, and the relative size of any such curtailment and its effect on the geographical distribution of opportunities for training in the field of nursing involved (giving consideration to the factors mentioned [above] in [paragraph] *subparagraph* (A)); and

(2) in the case of an applicant in a State which has in existence a State or local area agency involved with planning for nurse training facilities, or which participates in a regional or other interstate agency involved with planning for nurse training facilities, the relationship of the application to the construction or training program which is being developed by such agency or agencies and, if such agency or agencies have reviewed such application, any comment thereon submitted by them.

AMOUNT OF CONSTRUCTION GRANT; PAYMENTS

[SEC. 803. (a) The amount of any grant for a construction project under this part shall be such amount as the Secretary determines to be appropriate after obtaining the advice of the Council; except that (A) in the case of a grant (i) for a project for a new school, (ii) for a project for new facilities for an existing school in cases where such facilities are of particular importance in providing a major expansion of training capacity, as determined in accordance with regulations, and (iii) for a project for major remodeling or renovation of an existing facility where such project is required to meet an increase in student enrollment such amount may not exceed 75 per centum of the necessary cost of construction, as determined by the Secretary, of such project; and (B) in the case of any other grant, such amount may not, except where the Secretary determines that unusual circumstances make a larger percentage (which may in no case exceed 75 per centum) necessary in order to effectuate the purposes of this part, exceed 67 per centum of the necessary cost of construction, as so determined, of the project with respect to which the grant is made.]

SEC. 803. (a) The amount of any grant for a construction project under this subpart shall be such amount as the Secretary determines to be appropriate after obtaining the advice of the National Advisory Council on Nurse Training; except that—

(1) in the case of a grant—

(A) for a project for a new school,

(B) For a project for new facilities for an existing school in cases where such facilities are of particular importance in providing a major expansion of training capacity, as determined in accordance with regulations, or

(C) for a project for major remodeling or renovation of an existing facility where such project is required to meet an increase in student enrollment,

the amount of such grant may not exceed 75 per centum of the necessary cost of construction, as determined by the Secretary, of such project; and

(2) in the case of a grant for any other project, the amount of such grant may not, except where the Secretary determines that unusual circumstances make a larger percentage (which may in no case exceed 75 per centum) necessary in order to effectuate the purposes of this subpart, exceed 67 per centum of necessary cost of construction, as so determined, of the project with respect to which the grant is made.

(b) Upon approval of any application for a grant for a construction project under this [part] *subpart*, the Secretary shall reserve, from any appropriation available therefor, the amount of such grant as determined under subsection (a); the amount so reserved may be paid in advance or by way of reimbursement, and in such installments consistent with construction progress, as the Secretary may determine. The Secretary's reservation of any amount under this section may be amended by him, either upon approval of an amendment of the application or upon revision of the estimated cost of construction of the facility.

(c) In determining the amount of any such grant under this [part] *subpart*, there shall be excluded from the cost of construction an amount equal to the sum of (1) the amount of any other Federal grant which the applicant has obtained or is assured of obtaining, with respect to the construction which is to be financed in part by grants authorized under this part, and (2) the amount of any non-Federal funds required to be expended as a condition of such other Federal grant.

RECAPTURE OF PAYMENTS

SEC. 804. If, within twenty years (or in the case of interim facilities, within such shorter period as the Secretary shall by regulation prescribe) after completion of any construction for which funds have been paid under this [part] *subpart*—

[(a)] (*1*) the applicant or other owner of the facility shall cease to be a public or nonprofit private school, or

[(b)] (*2*) the facility shall cease to be used for the training purposes for which it was constructed (unless the Secretary determines, in accordance with regulations, that there is good cause for releasing the applicant or other owner from the obligation to do so), or

[(c)] (*3*) the facility is used for sectarian instruction or as a place for religious worship,

the United States shall be entitled to recover from the applicant or other owner of the facility the amount bearing the same ratio to the then value (as determined by agreement of the parties or by action brought in the United States district court for the district in which such facility is situated) of the facility, as the amount of the Federal participation bore to the cost of construction of such facility.

[SPECIAL PROJECTS GRANTS AND CONTRACTS; FINANCIAL DISTRESS GRANTS

[SEC. 805. (a) From appropriations under section 808 the Secretary may make grants to public and other nonprofit private schools of nursing and other public or nonprofit private agencies, organizations and institutions, and enter into contracts with any public or private agencies, organizations, or institutions, to meet the costs of special projects to—

[(1) assist in—

[(A) mergers between hospital training programs or between hospital training programs and academic institutions, or

[(B) other cooperative arrangements among hospitals and academic institutions,

leading to the establishment of nurse training programs;

[(2) develop training programs, and train, for new roles, types, or levels of nursing personnel, including programs for the training of pediatric nurse practitioners or other types of nurse practitioners;

[(3) develop programs for cooperative interdisciplinary training among schools of nursing and schools of allied health, medicine, dentistry, osteopathy, optometry, podiatry, pharmacy, public

health, or veterinary medicine, including training for the use of the team approach to the delivery of health services;

[(4) assist in increasing the supply, or improving the distribution of adequately trained nursing personnel or to promote the full utilization of nursing skills;

[(5) effect significant improvements in the curriculums of schools of nursing;

[(6) research, develop, or demonstrate advances in the various fields related to education in nursing;

[(7) plan, develop, or establish new programs or modifications of existing programs of nursing education;

[(8) increase educational opportunities for disadvantaged students;

[(9) provide continuing education for nurses;

[(10) provide appropriate retraining opportunities for nurses who (after periods of professional inactivity) desire again actively to engage in the nursing profession;

[(11) otherwise strengthen, improve or expand programs to train nursing personnel, or

[(12) help to increase the supply or improve the distribution by geographic area or by speciality group of adequately trained nursing personnel needed to meet the health needs of the Nation, including the need to increase the availability of personal health services and the need to promote preventive health care.

Contracts may be entered into under this subsection without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

[(b) The Secretary may also make grants from appropriations under section 808 to assist public or nonprofit private schools of nursing which are in serious financial straits to meet operational costs required to maintain quality educational programs or which have special need for financial assistance to meet accreditation requirements Any such grant may be made upon such terms and conditions as the Secretary determines to be reasonable and necessary, including requirements that the school agree (1) to disclose any financial information or data deemed by the Secretary to be necessary to determine the sources or causes of that school's financial distress, (2) to conduct a comprehensive cost analysis study in cooperation with the Secretary, and (3) to carry out appropriate operational and financial reforms on the basis of information obtained in the course of the comprehensive cost analysis study or on the basis of other relevant or be supported by assurances satisfactory to the Secretary that the

[(c) An application for a grant under subsection (b) must contain or be supported by assurances satisfactory to the Secretary that the applicant will expend in carrying out its functions as a school of nursing, during the fiscal year for which such grant is sought, an amount of founds (other than funds for construction as determined by the Secretary) from non-Federal sources which is at least as great as the avervage amount of funds expended by such applicant for such purpose (excluding expenditures of a nonrecurring nature) in the three fiscal years immediately preceding the fiscal year for which such grant is sought. The Secretary may, after consultation with the

National Advisory Council on Nurse Training, waive the requirement of the preceding sentence with respect to any school if he determines that the application of such requirement to such school would be inconsistent with the purposes of subsection (b).

[(d) The Secretary may, with the advice of the National Advisory Council on Nurse Training, provide assistance (including assistance under this section which may be provided without regard to section 807) to the heads of other departments and agencies of the Government to encourage and assist in the utilization of medical facilities under their jurisdiction for nurse training programs.]

LOAN GUARANTEES AND INTEREST SUBSIDIES

SEC. [809.] *805.* (a) In order to assist nonprofit private schools of nursing to carry out construction projects for training facilities, the Secretary may, during the period beginning July 1, 1971, and ending with the close of [June 30, 1975] *September 30, 1978*, guarantee (in accordance with this section and subject to subsection (f)) to non-Federal lenders *or the Federal Financing Bank* making loans to such schools for such construction projects payment when due of the principal of and interest on any loan for construction of such facilities if the loan was made to school which is eligible (as determined under regulations of the Secretary) for a grant under this [part] *subpart* to assist a construction project for such facilities. The Secretary may make commitments, on behalf of the United States, to make such loan guarantees prior to the making of such loans. No such loan guarantee [(1)] may, except under such special circumstances and under such conditions as are prescribed by regulations, apply to any amount which, when added to any grant for construction under this [part] *subpart* or any other law of the United States, exceeds 90 per centum of the cost of construction of the project[, or (2) may apply to more than 90 per centum of the loss of principal of and interest on the loan].

(b) In the case of any nonprofit private school of nursing which is eligible (as determined under regulations of the Secretary) for a grant under this [part] *subpart* to assist a construction project for training facilities, and to whom a loan has been made by a non-Federal lender *or the Federal Financing Bank* to assist it in carrying out such project, the Secretary, during the period beginning July 1, 1971, and ending with the close of [June 30, 1975] *September 30, 1978*, may, subject to subsection (f), pay to the holder of such loan (and for and on behalf of the sschool which received such loan) amounts sufficient to reduce by not to exceed 3 per centum per annum the net effective interest rate otherwise payable on such loan.

(c) A loan guarantee or interest subsidy payment may be made under this section only upon an application (submitted in such manner and containing such information as the Secretary may by regulations require) approved by the Secretary. The Secretary may not approve an application for a loan guarantee or interest subsidy payment unless he determines that the terms, conditions, security (if any), and schedule and amount of repayments with respect to the loan are sufficient to protect the financial interests of the United States and are otherwise reasonable, including a determination that the rate of

interest does not exceed such per centum per annum on the principal obligation outstanding as the Secretary determines to be reasonable, taking into account the range of interest rates prevailing in the private market for similar loans and the risks assumed by the United States. The Secretary may not approve an application for a loan guarantee, unless he determines that the loan would not be available on reasonable terms and conditions without the guarantee under this section.

(d)(1) The United States shall be entitled to recover from any school of nursing for whom a loan guarantee was made under this section the amount of any payment made pursuant to such guarantee, unless the Secretary for good cause waives such right of recovery; and, upon making any such payment, the United States shall be subrogated to all of the rights of the recipient of the payments with respect to which the guarantee was made.

(2) To the extent permitted by paragraph (3), any terms and conditions applicable to a loan guarantee under this section may be modified by the Secretary to the extent he determines it to be consistent with the financial interest of the United States.

(3) Any loan guarantee made by the Secretary pursuant to this section shall be incontestable in the hands of an applicant on whose behalf such guarantee is made, and as to any person who makes or contracts to make a loan to such applicant in reliance thereon, except for fraud or misrepresentation on the part of such applicant or such other person.

(e) There is established in the Treasury a loan guarantee and interest subsidy fund (hereinafter in this subsection referred to as the "fund") which shall be available to the Secretary without fiscal year limitation, in such amounts as may be specified from time to time in appropriation Acts, (1) to enable him to discharge his responsibilities under guarantees issued by him under this section, and (2) for interest subsidy payments authorized by this section. There are authorized to be appropriated from time to time such amounts as may be necessary to provide the sums required for the fund; except that the amount appropriated for interest subsidy payments may not exceed $1,000,000 in the fiscal year ending June 30, 1972, $2,000,000 in the fiscal year ending June 30, 1973, [and] $4,000,000 in the fiscal year ending June 30, 1974, or in the next fiscal year, *$1,000,000 in fiscal year 1976, $1,000,000, in fiscal year 1977, and $1,000,000 in fiscal year 1978.* There shall also be deposited in the fund amounts received by the Secretary or other property or assets derived by him from his operations under this section, including any money derived from the sale of assets. If at any time the sums in the fund are insufficient to enable the Secretary to discharge his responsibilities under guarantees issued by him under this section or to make interest subsidy payments authorized by this section, he is authorized to issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions, as may be prescribed by the Secretary with the approval of the Secretary of the Treasury[, but only in such amounts as may be specified from time to time in appropriation Acts]. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or

other obligations. The Secretary of the Treasury shall purchase any notes and other obligations issued hereunder and for that purpose he may use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, and the purposes for which the securities may be issued under that Act are extended to include any purchase of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as public debt transactions of the United States. Sums borrowed under this subsection shall be deposited in the fund and redemption of such notes and obligations shall be made by the Secretary from the fund.

(f) (e) The cumulative total of the principal of the loans outstanding at any time with respect to which guarantees have been issued under this section may not exceed such limitations as may be specified in appropriation Acts.

(2) In any fiscal year no loan guarantee may be made under subsection (a) and no agreement to make interest subsidy payments may be entered into under subsection (b) if the making of such guarantee or the entering into of such agreement would cause the cumulative total of—

(A) the principal of the loans guaranteed under subsection (a) in such fiscal year, and

(B) the principal of the loans for which no guarantee has been made under subsection (a) and with respect to which an agreement to make interest subsidy payments is entered into under subsection (b) in such fiscal year.

to exceed the amount of grant funds obligated under this part in such fiscal year for construction grants; except that this paragraph shall not apply if the amount of grant funds so obligated in such fiscal year equal the sums appropriated for such fiscal year under section 801.

(g) The Secretary, with the consent of the Secretary of Housing and Urban Development, may obtain from the Department of Housing and Urban Development such assistance with respect to the administration of this section as will promote efficiency and economy thereof.

[SEC. 808. For payments under grants and contracts under section 805(a) there are authorized to be appropriated $20,000,000 for the fiscal year ending June 30, 1972; $28,000,000 for the fiscal year ending June 30, 1973; and $35,000,000 each for the fiscal years ending June 30, 1974 and June 30, 1975. There are authorized to be appropriated $15,000,000 for the fiscal year ending June 30, 1972, $10,000,000 for the fiscal year ending June 30, 1973, and $5,000,000 each for the fiscal years ending June 30, 1974 and June 30, 1975, to make grants under section 805(b), and, to the extent that sums appropriated under this sentence are not used for such grants, for grants under section 805(a).]

[START-UP GRANTS FOR NEW NURSE TRAINING PROGRAMS

[SEC. 810. (a) The Secretary may make grants to any public or nonprofit private entity to assist in meeting the costs of planning, developing, or initiating new programs of nurse training. In con-

sidering applications for grants under this section, the Secretary shall take into account—

[(1) the number of students proposed to be enrolled in such program, and

[(2) the other resources available to such program.

[(b) The Secretary shall give special consideration to each application for grant assistance under this section for a new program of nurse training which contains or is reasonably supported by assurances that, because of the use that the program will make of existing facilities (including Federal medical facilities), it will be able to accelerate the date on which it will begin its teaching program.

[(c) The amount of any grant under this section shall be determined by the Secretary, but in no event may any grant exceed $100,000 for any fiscal year. Payments under such grants may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary.

[(d) There are authorized to be appropriated to carry out this section not to exceed $4,000,000 for the fiscal year ending June 30, 1972, $8,000,000 for the fiscal year ending June 30, 1973, and $12,000,000 each for the fiscal years ending June 30, 1974, and June 30, 1975. Sums appropriated under this section shall remain available until expended.]

Subpart II—Capitation Grants

CAPITATION GRANTS

SEC. [806.] *810.* (a) GRANT COMPUTATION.—The Secretary shall make annual grants to schools of nursing for the support of the education programs of such schools. The amount of the annual grant to each such school with an approved application shall be computed as follows:

[(1) Each such school shall receive—

[(A) $250 for each full-time student enrolled in such school in such year (other than a student who will graduate from such school in such year);

[(B) $500 for each full-time student enrolled in such school who will graduate in such year; and

[(C) $100 for each enrollment bonus student (as determinded under subsection (d) enrolled in such school in such year; and

[(2) Each such school which has a training program for the training of nurse midwives, family health nurses, pediatric nurse practitioners, or similar nurse practitioners shall receive—

[(A) $250 for each full-time student enrolled in such program in such year (other than a student who will complete the training provided under such program in such year); and

[(B) $900 for each full-time student enrolled in such program who will complete the training provided under such program in such year.]

(1) Each collegiate school of nursing shall receive $400 for each undergraduate full-time student enrolled in each of the last two years of such school in such year.

(2) Each associate degree school of nursing shall receive (A) the product of $275 and one-half of the number of full-time students enrolled in the first year of such school in such year, and (B) for each full-time student enrolled in the last year of such school in such year.

(3) Each diploma school of nursing shall receive $250 for each school of such year.

(b) APPORTIONMENT OF APPROPRIATIONS.—If the total of the grants to be made under subsection (a) for any fiscal year to schools with approved applications exceeds the amounts appropriated under subsection [(i)] *(f)* for such grants, the amount of the grant for that fiscal year to each such school shall be an amount which bears the same ratio to the amount determined for the school for that fiscal year under subsection (a) as the total of the amounts appropriated under subsection (i) for that year bears to the amount required to make grants to each school in accordance with subsection (a).

[(c) ENROLLMENT BONUS STUDENT DEFINED.—For purposes of subsection (a), a full-time student enrolled for any school year in a school of nursing shall be considered to be an enrollment bonus student if—

[(1) he enrolled in such school as a first-year student for a school year beginning after June 30, 1971; and

[(2) the size of the class of first-year students which enrolled in such school for such school year met the applicable requirement of subsection (d)(1)(A) or (d)(2)(A), and the application of such school for a grant under this section for the fiscal year in which such school year began met the applicable requirement of subsection (d)(1)(B) or (d)(2)(B).

Any student who is considered to be an enrollment bonus student for the school year for which he enrolled as a first-year student in a school shall be considered to be an enrollment bonus student for each school year thereafter for which he is enrolled in such school (other than as a student enrolled in a training program described in subsection (a)(2)).

[(d) CLASS SIZE AND APPLICATION REQUIREMENTS FOR GRANTS FOR BONUS ENROLLMENT STUDENTS.—

[(1) School year 1971–1972.—If the school year for which a class enrolled as a class of first-year students in a school was the first school year beginning after June 30, 1971—

[(A) the number of students who enrolled in such class for such school year must exceed the number of first-year students who enrolled in such school for the preceding school year by 5 per centum of such number or by five students, whichever is greater; and

[(B) the application of such school for a grant under this section for the fiscal year ending June 30, 1972, contains or is supported by reasonable assurances that, for the first school year beginning after June 30, 1972 and for each school year thereafter, the number of students enrolled in such school as a class of first-year students will not be less than a number equal to the sum of—

[(i) the minimum enrollment of first-year students required under subparagarph (A); and

[(ii) 5 per centum of the average of the first-year enrollment of full-time students in such school for the two school years having the highest such enrollment during the five school years during the period of July 1, 1966, through June 30, 1971, or ten students, whichever is greater.

[(2) School years after school year 1971–1972.—If the school year by 5 per centum of such number or by five students, in a school was any school year beginning after June 30, 1972—

[(A) the number of students who enrolled in such class for such school year—

[(i) if such school has not previously received a grant for bonus enrollment students, must be not less than the sum of (I) the minimum number of first-year students which such school is required pursuant to subsection (e) (or would be required pursuant to subsection (e) except for paragraph (2) thereof) to enroll for such school year, and (II) 5 per centum of that number or 5 students whichever is greater; or

[(ii) if such school has previously qualified for a bonus enrollment grant under this section, must be not less than the sum of (I) the minimum number of students which such school was required, pursuant to paragraph (1)(B) or (2)(B) (as the case may be), to assure the Secretary would be enrolled for such school year, and (II) 5 per centum of that number or 5 students, whichever is greater; and

[(B) the application of such school for a grant under this section for the fiscal year in which such school year begins contains or is supported by reasonable assurances that, for the first school year beginning after the close of such fiscal year and for each fiscal year thereafter, the number of students enrolled in such school as a class of first-year students will not be less than the minimum number of students such school was required under subparagraph (A) to enroll as first-year students.

[(e) MAINTENANCE OF EFFORT AND ENROLLMENT INCREASE REQUIREMENTS.—

[(1) The Secretary shall not make a grant under this section to any school in a fiscal year beginning after June 30, 1971, unless the application for such grant contains or is supported by reasonable assurances satisfactory to the Secretary—

[(A) that for the first school year beginning after the close of the fiscal year in which such grant is made and for each school year thereafter during which such a grant is made the first-year enrollment of full-time students in such school will exceed the average of the first-year enrollment of such students in such school for the two school years having the highest such enrollment during the five school years during the period July 1, 1966, through June 30, 1971, by at least 5

per centum of such average first-year enrollment, or by ten students, whichever is greater; and

[(B) that the applicant will expend in carrying out its function as a school of nursing, during the fiscal year for which such grant is sought, an amount of funds (other than funds for construction as determined by the Secretary) from non-Federal sources which is at least as great as the average amount of funds expended by such applicant for such purpose (excluding expenditures of a nonrecurring nature) in the 3 fiscal years immediately preceding the fiscal year for which such grant is sought.

The requirements of subparagraph (A) shall be in addition to the requirements of section 802(b)(2)(D) of this Act, where applicable.

(2) The Secretary is authorized to waive (in whole or in part) the provision of paragraph (1)(A) if he determines, after consultation with the National Advisory Council on Nurse Training, that the required increase in first-year enrollment of full-time students in a school cannot, because of limitations of physical facilities available to the school for training or because of other relevant factors, be accomplished without lowering the quality of training provided therein.

[(f) PLAN REQUIREMENT.—

[(1) In the case of a school which has not received a grant under subsection (a) in a fiscal year beginning after June 30, 1971, an application by such school for such a grant for a fiscal year beginning after that date may not be approved by the Secretary unless the application contains or is accompanied by a plan to carry out, or establish and carry out, during the two-school year period commencing not later than the first day of the fiscal year next following the fiscal year in which the grant is made, specific projects in at least three of the following categories of projects:

[(A) Projects to assist in—

[(i) mergers between hospital training programs or between hopsital training programs and academic institutions, or

[(ii) affiliation agreements with hospitals or academic institutions;

leading to the establishment of nurse training programs.

[(B) Projects to train for new roles, types, or levels of nursing personnel, including programs for the training of pediatric nurse practitioners or other types of nurse practitioners, in cooperation with appropriate academic institutions or hospitals.

[(C) Projects to establish cooperative intradisciplinary training among schools of nursing with a view toward establishment of interchangeable curriculum or shared use of resources.

[(D) Projects to establish cooperative interdisciplinary training between schools of nursing and schools of allied

health, medicine, dentistry, osteopathy, optometry, podiatry, pharmacy, public health, or veterinary medicine, including training for the use of the team approach to the delivery of health services.

[(E) Projects to assist in increasing the supply of adequately trained nursing personnel or to promote the full utilization of nursing skills.

[(F) Projects to effect significant improvements in the curricula of schools of nursing (including projects with a view toward the assumption of greater patient care responsibilities).

[(G) Projects to provide in-service or other training and education to upgrade the skills of licensed vocational or licensed practical nurses, nursing assistants, and aides, and other paraprofessional nursing personnel.

[(H) Projects to increase admissions to, and enrollment and retention in, such schools of qualified individuals who, due to socioeconomic factors, are financially or educationally disadvantaged.

[(2) The Secretary may make on-site inspections of any school, or require the supplying of information or data from any school, receiving a grant under subsection (a) to determine the extent to which such school is carrying out the specific projects required to be included in the plan submitted by such school (pursuant to paragraph (1)) in connection with its application for such grant.

[(3) The Secretary shall submit to the Committee on Labor and Public Welfare of the Senate and the Committee on Interstate and Foreign Commerce of the House of Representatives two reports containing full and complete information as to the extent to which schools receiving grants under subsection (a) are carrying out the specific projects included in plans submitted by them pursuant to paragraph (1). The first such report shall be submitted not later than January 1, 1973, and the second such report shall be submitted not later than September 1, 1974.]

(c) (1) REQUIREMENTS FOR GRANTS.—The Secretary shall not make a grant under subsection (a) to any school of nursing in a fiscal year beginning after June 30, 1975, unless the application for such grant contains or is supported by reasonable assurances satisfactory to the Secretary that—

(A) the first-year enrollment of full-time students in the school in the school year beginning after the fiscal year in which the grant applied for is to be made will not be less than the first-year enrollment of such students in the school in the preceding school year; and

(B) that the school will expend in carrying out its function as a school of nursing, during the fiscal year for which such grant is sought, an amount of funds (other than funds for construction as determined by the Secretary) from non-Federal sources which is at least as great as the average amount of funds expended by such applicant for such purpose (excluding expenditures of a nonrecurring nature) in the three fiscal years immediately preceding the fiscal year for which such grant is sought.

The requirements of subparagraph (A) shall be in addition to the requirements of section 802(b) (2) (D), where applicable.

(2) The Secretary shall not make a grant under section (a) to any school of nursing in a fiscal year beginning after June 30, 1975, unless one of the following requirements is met:

(A) The application for such grant shall contain or be supported by reasonable assurances satisfactory to the Secretary that for the school year beginning after the close of the fiscal year in which such grant is to be made and for each school year thereafter beginning in a fiscal year in which such a grant is made the first year enrollment of full-time students in such school will exceed the number of such students enrolled in the school year beginning during the fiscal year ending June 30, 1975—

(i) by 10 per centum of such number if such number was not more than one hundred, or

(ii) by 5 per centum of such number, or ten students, whichever is greater, if such number was more than one hundred.

(B) The school has provided reasonable assurances satisfactory to the Secretary that it will carry out, in accordance with a plan submitted by the school to the Secretary and approved by him, one of the following programs in the school year beginning after the close of the fiscal year in which such grant is to be made and in each school year thereafter beginning in a fiscal year in which such a grant is made:

(i) In the case of collegiate schools of nursing, a program for the training of nurse practitioners (as defined in section 822).

(ii) A program under which students enrolled in a school of nursing will receive a significant portion of their clinical training in community health centers, long-term care facilities, and ambulatory care facilities geographically remote from the main site of the teaching facilities of the school.

(iii) A program for the continuing education of nurses which meets needs identified by appropriate State, regional, or local health or educational entities (including health systems agencies).

(iv) A program to identify, recruit, enroll, retain, and graduate individuals from disadvantaged background (as determined in accordance with criteria prescribed by the Secretary) under which program at least 10 per centum of each year's entering class (or ten students, whichever is greater) is comprised of such individuals.

[(g)] *(d)* ENROLLMENT AND GRADUATION DETERMINATIONS.—

(1) For the purposes of this part and part D, regulations of the Secretary shall include provisions relating to determination of the number of students enrolled in a school, or in a particular year-class in a school, or the number of graduates, as the case may be, on the basis of estimates or on the basis of the number of students who were enrolled in a school, or in a particular year-class in a school, or were graduates, in an earlier year, as the case may be, or on such basis as he deems appropriate for making such determina-

tion, and shall include methods of making such determination when a school or a year-class was not in existence in an earlier year at a school.

(2) For purposes of this part and part D, the term "full-time students" (whether such term is used by itself or in connection with a particular year-class) means students pursuing a full-time course of study in an accredited program in a school of nursing.

[(h)] (e) APPLICATION FOR NEW SCHOOLS.—In the case of a new school of nursing which applies for a grant under this section in the fiscal year preceding the fiscal year in which it will admit its first class, the enrollment for purposes of subsection (a) shall be the number of full-time students which the Secretary determines, on the basis of assurance provided by the school, will be enrolled in the school, in the fiscal year after the fiscal year in which the grant is made.

[(i)](f) AUTHORIZATION OF APPROPRIATIONS.—

(1) There are authorized to be appropriated $78,000,000 for the fiscal year ending June 30, 1972, $82,000,000 for the fiscal year ending June 30, 1973, [and] $88,000,000 each for the fiscal years ending June 30, 1974, and June 30, 1975, *$50,000,000 for fiscal year 1976, $55,000,000 for fiscal year 1977, and $60,000,000 for fiscal year 1978*, for grants under this section.

(2) No funds appropriated under any provision of this Act (other than this subsection) may be used to make grants under this section.

APPLICATIONS FOR GRANTS

SEC. [807] *811.* (a) The Secretary may from time to time set dates (not earlier than in the fiscal year preceding the year for which a grant is sought) by which applications under [section 805, 806, or 810] *this subpart* for any fiscal year must be filed.

(b) The Secretary shall not approve or disapprove any application for a grant under this [part] *subpart* except after consultation with the National Advisory Council on Nurse Training.

(c) A grant under [section 805, 806, or 810] *this subpart* may be made only if the application therefor—

(1) is from a public or nonprofit private school of nursing [, or, in the case of grants under section 805 or 810, a public or nonprofit private agency, organization, or institution];

(2) contains such additional information as the Secretary may require to make the determinations required of him under [those sections] *this subpart* and such assurances as he may find necessary to carry out the purposes of [those sections] *this subpart;* and

(3) provides for such fiscal control and accounting procedures and reports, and access to the records of the applicant, as the Secretary may require to assure proper disbursement of and accounting for Federal funds paid to the applicant under [those sections] *this subpart.*

Subpart III—Financial Distress Grants

FINANCIAL DISTRESS GRANTS

SEC. 815. (a) The Secretary may make grants to assist public or nonprofit private schools of nursing which are in serious financial straits

to meet operational costs required to maintain quality educational programs or which have special need for financial assistance to meet accreditation requirements. Any such grant may be made upon such terms and conditions as the Secretary determines to be reasonable and necessary, including requirements that the school agree (1) to disclose any financial information or data deemed by the Secretary to be necessary to determine the sources or causes of that school's financial distress, (2) to conduct a comprehensive cost analysis study in cooperation with the Secretary, and (3) to carry out appropriate operational and financial reforms on the basis of information obtained in the course of the comprehensive cost analysis study or on the basis of other relevant information.

(b) (1) No grant may be made under subsection (a) unless an application therefor is submitted to and approved by the Secretary. The Secretary may not approve or disapprove such an application except after consultation with the National Advisory Council on Nurse Training.

(2) An application for a grant under subsection (a) must contain or be supported by assurances satisfactory to the Secretary that the applicant will expend in carrying out its functions as a school of nursing, during the fiscal year for which such grant is sought, an amount of funds (other than funds for construction as determined by the Secretary) from non-Federal sources which is at least as great as the average amount of funds expended by such applicant for such purpose (excluding expenditures of a nonrecurring in nature) in the three fiscal years immediately preceding the fiscal year for which such grant is sought. The Secretary may, after consultation with the National Advisory Council on Nurse Training, waive the requirements of the preceding sentence with respect to any school if he determines that the application of such requirement to such school would be inconsistent with the purposes of subsection (a).

(c) For payments under grants under this section there are authorized to be appropriated $5,000,000 for fiscal year 1976, $5,000,000 for fiscal year 1977, and $5,000,000 for fiscal year 1978.

Subpart IV—Special Projects

SPECIAL PROJECT GRANTS AND CONTRACTS

SEC. 820. (a) The Secretary may make grants to public and nonprofit private schools of nursing and other public or nonprofit private entities, and enter into contracts with any public or private entity, to meet the cost of special projects to—

(1) assist in—

(A) mergers between hospital training programs or between hospital training programs and academic institutions, or

(B) other cooperative arrangements among hospitals and academic institutions,

leading to the establishment of nurse training programs;

(2) (A) plan, develop, or establish new nurse training programs or programs of research in nursing education, or

(B) significantly improve curricula of schools of nursing (including curriculums of pediatric nursing and geriatric nursing) or modify existing programs of nursing education;

(3) increase nursing education opportunities for individuals from disadvantaged backgrounds, as determined in accordance with criteria prescribed by the Secretary, by—

(A) identifying, recruiting, and selecting such individuals,

(B) facilitating the entry of such individuals into schools of nursing,

(C) providing counseling or other services designed to assist such individuals to complete successfully their nursing education,

(D) providing, for a period prior to the entry of such individuals into the regular course of education at a school of nursing, preliminary education designed to assist them to complete successfully such regular course of education,

(E) paying such stipends (including allowances for travel and dependents) as the Secretary may determine for such individuals for any period of nursing education, and

(F) publicising, especially to licensed vocational or practical nurses, existing sources of financial aid available to persons enrolled in schools of nursing or who are undertaking training necessary to qualify them to enroll in such schools;

(4) provide continuing education for nurses;

(5) provide appropriate retraining opportunities for nurses who (after periods of professional inactivity) desire again actively to engage in the nursing profession;

(6) help to increase the supply or improve the distribution by geographic area or by specialty group of adequately trained nursing personnel (including nursing personnel who are bilingual) needed to meet the health needs of the Nation, including the need to increase the availability of personal health services and the need to promote preventive health care; or

(7) provide training and education to upgrade the skills of licensed vocational or practical nurses, nursing assistants, and other paraprofessional nursing personnel.

Contracts may be entered into under this subsection without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5).

(b) The Secretary may, with the advice of the National Advisory Council on Nurse Training, provide assistance to the heads of other departments and agencies of the Government to encourage and assist in the utilization of medical facilities under their jurisdiction for nurse training programs.

(c) No grant or contract may be made under this section unless an application therefor has been submitted to and approved by the Secretary. The Secretary may not approve or disapprove such an application except after consultation with the National Advisory Council on Nurse Training. Such an application shall provide for such fiscal control and accounting procedures and reports, and access to the records of the applicant, as the Secretary may require to assure proper disbursement of and accounting for Federal funds paid to the applicant under this section.

(d) For payments under grants and contracts under this section there are authorised to be appropriated $15,000,000 for fiscal year 1976, $15,000,000 for fiscal year 1977, and $15,000,000 for fiscal year 1978. Not less than 10 per centum of the funds appropriated under this subsection for any fiscal year shall be used for payments under grants and contracts to meet the costs of the special projects described in subsection (a)(3).

ADVANCED NURSE TRAINING PROGRAMS

SEC. 821. (a)(1) The Secretary may make grants to and enter into contracts with public and nonprofit private collegiate schools of nursing to meet the costs of projects to—

(A) plan, develop, and operate,
(B) significantly expand, or
(C) maintain existing,

programs for the advanced training of professional nurses to teach in the various fields of nurse training, to serve in administrative or supervisory capacities, or to serve in other professional nursing specialties (including service as nurse clinicians) determined by the Secretary to require advanced training.

(b) For payments under grants and contracts under this section there are authorised to be appropriated $15,000,000 for fiscal year 1976, $20,000,000 for fiscal year 1977, and $25,000,000 for fiscal year 1978.

NURSE PRACTITIONER PROGRAMS

SEC. 822. (a)(1) The Secretary may make grants to and enter into contracts with public or nonprofit private schools of nursing, medicine, and public health, public or nonprofit private hospitals, and other public or nonprofit private entities to meet the cost of projects to—

(A) plan, develop, and operate,
(B) significantly expand, or
(C) maintain existing,

programs for the training of nurse practitioners.

(2)(A) For purposes of this section, the term "programs for the training of nurse practitioners" means educational programs which meet guidelines prescribed by the Secretary in accordance with subparagraph (B) and which have as their objective the education of nurses (including pediatric and geriatric nurses) who will, upon completion of their studies in such programs, be qualified to effectively provide primary health care, including primary health care in homes and in ambulatory care facilities, long-term care facilities, and other health care institutions.

(B) After consultation with appropriate educational organizations and professional nursing and medical organizations, the Secretary shall prescribe guidelines for programs for nurse practitioners. Such guidelines shall, as a minimum, require—

(i) a program of at least one academic year consisting of (I) supervised clinical practice and (II) at least four months (in the

aggregate) of classroom instruction, and that the program be directed toward preparing nurses to deliver primary health care; and

(ii) a minimum level of enrollment in each year of not less than eight students.

(b) No grant may be made or contract entered into for a project to plan, develop, and operate a program for the training of nurse practitioners unless the application for the grant or contract contains assurances satisfactory to the Secretary that the program will upon its development meet the guidelines which are in effect under subsection (a)(2)(B); and no grant may be made or contract entered into for a project to expand or maintain such a program unless the application for the grant or contract contains assurances satisfactory to the Secretary that the program meets the guidelines which are in effect under such subsection.

(c) The costs for which a grant or contract under this section may be made may include costs of preparation of faculty members in order to conform to the guidelines established under subsection (a)(2)(B).

(d) For payments under grants and contracts under this section there are authorized to be appropriated $15,000,000 for fiscal year 1976, $20,000,000 for fiscal year 1977, and $25,000,000 for fiscal year 1978.

PART B—ASSISTANCE TO NURSING STUDENTS

Subpart I—Traineeships

TRAINEESHIPS FOR ADVANCED TRAINING OF PROFESSIONAL NURSES

[SEC. 821. (a) There are authorized to be appropriated $8,000,000 for the fiscal year ending June 30, 1965, $9,000,000 for the fiscal year ending June 30, 1966, $10,000,000 for the fiscal year ending June 3, 1967, $11,000,000 for the fiscal year ending June 30, 1968, $12,000,000 for the fiscal year ending June 30, 1969, $15,000,000 for the fiscal year ending June 30, 1970, $19,000,000 each for the fiscal year ending June 30, 1971, $20,000,000 for the fiscal year ending June 30, 1972, $22,000,000 for the fiscal year ending June 30, 1973, and $24,000,000 for the fiscal year ending June 30, 1974, and the next fiscal year, to cover the cost of traineeships for the training of professional nurses to teach in the various fields of nurse training (including practical nurse training), to serve in administrative or supervisory capacities, or to serve in other professional nursing specialties determined by the Secretary to require advanced training.]

SEC. 830. (a) There is authorized to be appropriated $15,000,000 for fiscal year 1976, $20,000,000 for fiscal year 1977, and $25,000,000 for fiscal year 1978, to cover the costs of traineeships for the training of professional nurses—

(1) to teach in the various fields of nurse training (including practical nurse training),

(2) to serve in administrative or supervisory capacities,

(3) to serve as nurse practitioners, or

(4) to serve in other professional nursing specialities determined by the Secretary to require advanced training.

(b) Traineeships under this section shall be awarded by the Secretary through grants to public or nonprofit private institutions pro-

viding the training. *In making grants for traineeships under this section, the Secretary shall give special consideration to applications for traineeship programs which conform to guidelines established by the Secretary under section 822(a)(2)(B).*

(c) Payments to institutions under this section may be made in advance or by way of reimbursement, and at such intervals and on such conditions, as the Secretary finds necessary. Such payments may be used only for traineeships and shall be limited to such amounts as the Secretary finds necessary to cover the costs of tuition and fees, and a stipend and allowances (including travel and subsistence expenses) for the trainees.

Subpart II—Student Loans

LOAN AGREEMENTS

SEC. [822.] *835.* (a) The Secretary [of Health, Education, and Welfare] is authorized to enter into an agreement for the establishment and operation of a student loan fund in accordance with this [part] *subpart* with any public or nonprofit private school of nursing which is located in a State.

(b) Each agreement entered into under this section shall—

(1) provide for establishment of a student loan fund by the school;

(2) provide for deposit in the fund, except as provided in section [829,] *841*, of (A) the Federal capital contributions paid [under this part] *from allotments under section 838* to the school by the Secretary, (B) an additional amount from other sources equal to not less than one-ninth of such Federal capital contributions, (C) collections of principal and interest on loans made from the fund, (D) collections pursuant to section [823] *836* (f), and (E) any other earnings of the fund;

(3) provide that the fund, except as provided in section [829,] *841*, shall be used only for loans to students of the school in accordance with the agreement and for costs of collection of such loans and interest thereon;

(4) provide that loans may be made from such fund only to students pursuing a full-time or half-time course of study at the school leading to baccalaureate or associate degree in nursing or an equivalent degree or a diploma in nursing, or to a graduate degree in nursing, and that while the agreement remains in effect no such student who has attended such school before [July 1, 1975,] *October 1, 1978*, shall receive a loan from a loan fund established under section 204 of the National Defense Education Act of 1958; and

(5) contain such other provisions as are necessary to protect the financial interests of the United States.

LOAN PROVISIONS

SEC. [823.] *836.* (a) The total of the loans for any academic year (or its equivalent, as determined under regulations of the Secretary) made by schools of nursing from loan funds established pursuant to agreements under this [part] *subpart* may not exceed $2,500 in the

case of any student. The aggregate of the loans for all years from such funds may not exceed $10,000 in the case of any student. In the granting of such loans, a school shall give preference to licenesd practical nurses and to persons who enter as first-year students after enactment of this title.

(b) Loans from any such student loan fund by any school shall be made on such terms and conditions as the school may determine; subject, however, to such conditions, limitations, and requirements as the Secretary [of Health, Education, and Welfare] may prescribe (by regulation or in the agreement with the school) with a view to preventing impairment of the capital of such fund to the maximum extent practicable in the light of the objective of enabling the student to complete his course of study; and except that—

(1) such a loan may be made only to a student who (A) is in need of the amount of the loan to pursue a full-time or half-time course of study at the school leading to a baccalaureate or associate degree in nursing or an equivalent degree, or a diploma in nursing, or a graduate degree in nursing, and (B) is capable, in the opinion of the school, of maintaining good standing in such course of study;

(2) such a loan shall be repayable in equal or graduated periodic installments (with the right of the borrower to accelerate repayment) over the ten-year period which begins nine months after the student ceases to pursue a full-time or half-time course of study at a school of nursing, excluding from such 10-year period all (A) periods (up to three years) of (i) active duty performed by the borrower as a member of a uniformed service, or (ii) service as a volunteer under the Peace Corps Act, and (B) periods (up to five years) during which the borrower is pursuing a full-time course of study at a collegiate school of nursing leading to baccalaureate degree in nursing or an equivalent degree, or to graduate degree in nursing, or is otherwise pursuing advanced professional training in nursing (*or training to be a nurse anesthetist*);

(3) an amount up to 85 per centum of any such loan (plus interest thereon) shall be canceled for full-time employment as a professional nurse (including teaching in any of the fields of nurse training and service as an administrator, supervisor, or consultant in any of the fields of nursing) in any public or nonprofit private agency, institution, or organization (including neighborhood health centers), at the rate of 15 per centum of the amount of such loan (plus interest) unpaid on the first day of such service for each of the first, second, and third complete year of such service, and 20 per centum of such amount (plus interest) for each complete fourth and fifth year of such service;

(4) the liability to repay the unpaid balance of such loan and accrued interest thereon shall be canceled upon the death of the borrower, or if the Secretary determines that he has become permanently and totally disabled;

(5) such a loan shall bear interest on the unpaid balance of the loan, computed only for periods during which the loan is repayable, at the rate of 3 per centum per annum;

(6) such a loan shall be made without security or endorsement, except that if the borrower is a minor and the note or other

evidence of obligation executed by him would not, under the applicable law, create a binding obligation, either security or endorsement may be required;

(7) no note or other evidence of any such loan may be transferred or assigned by the school making the loan except that, if the borrower transfers to another school participating in the program under this [part] *subpart*, such note or other evidence of a loan may be transferred to such other school.

(c) Where all or any part of a loan, or interest, is canceled under this section, the Secretary [of Health, Education, and Welfare] shall pay to the school an amount equal to the school's proportionate share of the canceled portion, as determined by the Secretary.

(d) Any loan for any year by a school from a student loan fund established pursuant to an agreement under this part shall be made in such installments as may be provided in regulations of the Secretary or such agreement and, upon notice to the Secretary by the School that any recipient of a loan is failing to maintain satisfactory standing, any or all further installments of his loan shall be withheld, as may be appropriate.

(e) An agreement under this [part] *subpart* with any school shall include provisions designed to make loans from the student loan fund established thereunder reasonably available (to the extent of the available funds in such fund) to all eligible students in the school in need thereof.

(f) Subject to regulations of the Secretary, a school may assess a charge with respect to a loan from the loan fund established pursuant to an agreement under this part for failure of the borrower to pay all or any part of an installment when it is due and, in the case of a borrower who is entitled to deferment of the loan under subsection (b) (2) or cancellation of part or all of the loan under subsection (b) (3), for any failure to file timely and satisfactory evidence of such entitlement. The amount of any such charge may not exceed $1 for the first month or part of a month by which such installment or evidence is late and $2 for each such month or part of a month thereafter. The school may elect to add the amount of any such charge to the principal amount of the loan as of the first day after the day on which such installment or evidence was due, or to make the amount of the charge payable to the school not later than the due date of the next installment after receipt by the borrower of notice of the assessment of the charge.

(g) A school may provide in accordance with regulations of the Secretary, that during the repayment period of a loan from a loan fund established pursuant to an agreement under this [part] *subpart* payments of principal and interest by the borrower with respect to all the outstanding loans made to him from loan funds so established shall be at a rate equal to not less than $15 per month.

(h) (1) In the case of any individual—

(A) who has received a baccalaureate or associate degree in nursing (or equivalent degree), a diploma in nursing, or a graduate degree in nursing;

(B) who obtained (A) one or more loans from a loan fund established under this part, or (B) any other educational loan for nurse training costs; and

(C) who enters into an agreement with the Secretary to serve as a nurse for a period of at least two years in an area in a State determined by the Secretary, after consultation with the appropriate State health authority (as determined by the Secretary by regulations), to have a shortage of and need for nurses;

the Secretary shall make payments in accordance with paragraph (2), for and on behalf of that individual, on the principal of and interest on any loan of that individual described in subparagraph (B) of this paragraph which is outstanding on the date the individual begins the service specified in the agreement described in subparagraph (C) of this paragraph.

(2) The payments described in paragraph (1) shall be made by the Secretary as follows:

(A) Upon completion by the individual for whom the payments are to be made of the first year of the service specified in the agreement entered into with the Secretary under paragraph (1), the Secretary shall pay 30 per centum of the principal of, and the interest on each loan of such individual described in paragraph (1)(B) which is outstanding on the date he began such practice.

(B) Upon completion by that individual of the second year of such service, the Secretary shall pay another 30 per centum of the principal of, and the interest on each such loan.

(C) Upon completion by that individual of a third year of such service, the Secretary shall pay another 25 per centum of the principal of, and the interest on each such loan.

(3) Notwithstanding the requirement of completion of practice, specified in paragraph (2), the Secretary shall, on or before the due date thereof, pay any loan or loan installment which may fall due within the period of service for which the borrower may receive payments under this subsection, upon the declaration of such borrower, at such times and in such manner as the Secretary may prescribe (and supported by such other evidence as the Secretary may reasonably require), that the borrower is then engaged as described by paragraph (1) or paragraph (2)(C), and that the borrower will continue to be so engaged for the period required (in the absence of this paragraph) to entitle the borrower to have made the payments provided by this subsection for such period; except that not more than 85 per centum of the principal of any such loan shall be paid pursuant to this paragraph.

(4) A borower who fails to fulfill an agreement with the Secretary entered into under paragraph (1) or assurances provided pursuant to paragraph (2)(C) shall be liable to reimburse the Secretary for any payments made pursuant to paragraph (2)(A) or paragraph (3) in consideration of such agreement.

(i) Notwithstanding the amendment made by section 6(b) of the Nurse Training Act of 1971 to this section—

(A) any person who obtained one or more loans from a loan fund established under this [part] *subpart*, who before the date of the enactment of the Nurse Training Act of 1971 became eligible for cancellation of all or part of such loans (including accured interest) under this section (as in effect on the day before

such date), and who on such date was not engaged in a service for which loan cancellation was authorized under this section (as so in effect), may at any time elect to receive such cancellation in accordance with this subsection (as so in effect); and

(B) in the case of any person who obtained one or more loans from a loan fund established under this [part] *subpart*, and who on such date was engaged in a service for which cancellation of all or part of such loans (including accrued interest) was authorized under this section (as so in effect), this section (as so in effect) shall continue to apply to such person for purposes of providing such loan cancellation until he terminates such service.

Nothing in this subsection shall be construed to prevent any person from entering into an agreement for loan cancellation under subsection (h) (as amended by section 6(b)(2) of the Nurse Training Act of 1971).

[SEC. 830. (a)] (*j*) Upon application by a person who received, and is under an obligation to repay, any loan made to such person as a nursing student, the Secretary may undertake to repay (without liability to the applicant) all or any part of such loan, and any interest or portion thereof outstanding thereon, upon his determination, pursuant to regulations establishing criteria therefor, that the applicant—

(1) failed to complete the nursing studies with respect to which such loan was made;

(2) is in exceptionally needy circumstances;

(3) is from a low-income or disadvantaged family as those terms may be defined by such regulations; and

(4) has not resumed, or cannot reasonably be expected to resume, such nursing studies within two years following the date upon which the applicant terminated the studies with respect to which such loan was made.

[AUTHORIZATION OF APPROPRIATIONS FOR LOANS

[SEC. 824. There are authorized to be appropriated to the Secretary of Health, Education, and Welfare for Federal capital contributions for student loan funds pursuant to section 822(b)(2)(A) $3,100,000 for the fiscal year ending June 30, 1965, $8,900.000 for the fiscal year ending June 30, 1966 $16,800,000 for the fiscal year ending June 30, 1967, $25,300,000 for the fiscal year ending June 30, 1968, $30,900,000 for the fiscal year ending June 30, 1969 $20,000,000 for the fiscal year ending June 30, 1970, $21,000,000 for the fiscal year ending June 30, 1971, $25,000,000 for the fiscal year ending June 30, 1972 $30,000,000 for the fiscal year ending June 30, 1973, and $35,000,000 for the fiscal year ending June 30, 1974, and such sums for the fiscal year ending June 30, 1975, and each of the two succeeding fiscal years as may be necessary to enable students who have received a loan for any academic year ending before July 1, 1974, to continue or complete their education. Sums appropriated pursuant to this section for the fiscal year ending June 30, 1967, or any subsequent fiscal year shall be available to the Secretary (1) for payments into the fund established by section 827(d), and (2) in accordance with agreements under this part, for Federal

capital contributions to schools with which such agreements have been made, to be used, together with deposits in such funds pursuant to section 822(b)(2)(B), for establishment and maintenance of student loan funds, and (3) for transfers pursuant to section 829.]

AUTORIZATION OF APPROPRIATIONS FOR STUDENT LOAN FUNDS

SEC. 837. There are authorized to be appropriated for allotments under section 838 to schools of nursing for Federal capital contributions to their student loan funds established under section 835, $25,000,000 for fiscal year 1976, $30,000,000 for fiscal year 1977, and $35,000,000 for fiscal year 1978. For fiscal year 1979, and for each of the next two succeeding fiscal years there are authorized to be appropriated such sums as may be necessary to enable students who have received a loan for any academic year ending before October 1, 1978, to continue or complete their education.

ALLOTMENTS AND PAYMENTS OF FEDERAL CAPITAL CONTRIBUTIONS

SEC. [825.] *838.* (a) From the sums appropriated pursuant to section [824] *837* for any fiscal year, the Secretary shall allot to each school an amount which bears the same ratio to the amount so appropriated as the number of persons enrolled on a full-time basis in such school bears to the total number of persons enrolled on a full-time basis in all schools of nursing in all the States. The number of persons enrolled on a full-time basis in schools of nursing for purposes of this section shall be determined by the Secretary for the most recent year for which satisfactory data are available to him. For purposes of allotments under this section, a school of nursing also includes any school with which the Secretary has, prior to the time the allotment is made, entered into an agreement for establishment of a student loan fund under this [part] *subpart*. Funds available in any fiscal year for payment to schools under this [part (whether as Federal capital contributions or as loans to schools under section 827)] *subpart* which are in excess of the amount appropriated pursuant to section [824] *837* for that year shall be allotted among States and among schools within States in such manner as the Secretary determines will best carry out the purposes of this [part] *subpart*.

(b)(1) The Secretary shall from time to time set dates by which schools of nursing in a State must file applications for Federal capital contributions[, and for loans pursuant to section 827,] from the allotment of such State under the first two sentences of subsection (a) of this section.

(2) If the total of the amounts requested for any fiscal year in such applications which are made by schools in a State exceeds the amount of the allotment of such State for that fiscal year, the amounts to be paid to the loan fund of each such school shall be reduced to whichever of the following is the smaller: (A) the amount requested in its application or (B) an amount which bears the same ratio to the amount of the allotment of such State as the number of students who will be enrolled full time in such school during such fiscal year bears to the total number of students who will be enrolled full-time in all such

schools in such State during such year. Amounts remaining after allotment under the preceding sentence shall be redistributed in accordance with clause (B) of such sentence among schools which in their applications requested more than the amounts so paid to their loan funds, but with such adjustments as may be necessary to prevent the total paid to any such school's loan fund from exceeding the total so requested by it. If the total of the amounts requested for any fiscal year in such applications which are made by schools in a State is less than the amount of the allotment of such State for that fiscal year, the Secretary may reallot the remaining amount from time to time, on such date or dates as he may fix, to other States in proportion to the original allotments to such States under subsection (a) for such year. For the purpose of this section, the number of students who graduated from secondary schools in each State during a fiscal year and the number of students who will be enrolled full time in schools of nursing in each State shall be estimated by the Secretary [of Health, Education, and Welfare] on the basis of the best information available to him; and in making such estimates, the number of students enrolled full time in any collegiate school of nursing shall be deemed to be twice their actual number.

(c) The Federal capital contributions to a loan fund of a school under this part shall be paid to it from time to time in such installments as the Secretary determines will not result in unnecessary accumulations in the loan fund at such school.

DISTRIBUTION OF ASSETS FROM LOAN FUNDS

SEC. [826.] *839.* (a) After [June 30, 1977] *September 30, 1980*, and not later than [September 30, 1977] *December 31, 1980*, there shall be a capital distribution of the balance of the loan fund established under an agreement pursuant to section [822] *835*(b) by each school as follows:

(1) The Secretary [of Health, Education, and Welfare] shall first be paid an amount which bears the same ratio to such balance in such fund at the close of [June 30, 1977] *September 30, 1980*, as the total amount of the Federal capital contributions to such fund by the Secretary pursuant to section [822] *835*(b)(2)(A) bears to the total amount in such fund derived from such Federal capital contributions and from funds deposited therein pursuant to section [822] *835*(b)(2)(B).

(2) The remainder of such balance shall be paid to the school.

(b) After [September 30, 1977] *December 31, 1980*, each school with which the Secretary has made an agreement under this [part] *subpart* shall pay to the Secretary, not less often than quarterly, the same proportionate share of amounts received by the school after [June 30, 1977] *September 30, 1980*, in payment of principal or interest on loans made from the loan fund established pursuant to such agreement [(other than so much of such fund as relates to payments from the revolving fund established by section 827(d))] as was determined for the Secretary under subsection (a).

[LOANS TO SCHOOLS

[SEC. 827. (a) (1) During the fiscal years ending June 30, 1967, and June 30, 1968, and each of the next six fiscal years, the Secretary may make loans, from the revolving fund established by subsection (d), to any public or nonprofit private school of nursing which is located in a State, to provide all or part of the capital needed by any such school for making loans to students under this section (other than capital needed to make the institutional contributions required of schools by section 822(b)(2)(B)). Loans to students from such borrowed sums shall be subject to the terms, conditions, and limitations set forth in section 823. The requirement in section 822(b)(2)(B) with respect to institutional contributions by schools to student loan funds shall not apply to loans made to school under this section.

[(2) A loan to a school under this section may be upon such terms and conditions, consistent with applicable provisions of section 822, as the Secretary deems appropriate. If the Secretary deems it to be necessary to assure that the purposes of this section will be achieved, these terms and conditions may include provisions making the school's obligation to the Secretary on such a loan payable solely from such revenues or other assets or security (including collections on loans to students) as the Secretary may approve. Such a loan shall bear interest at a rate which the Secretary determines to be adequate to cover (A) the cost of the funds to the Treasury as determined by the Secretary of the Treasury, taking into consideration the current average yields of outstanding marketable obligations of the United States having maturities comparable to the maturities of loans made by the Secretary under this section, and (B) probable losses.

[Payments to Schools To Cover Certain Costs Incurred in Making Student Loans From Borrowed Funds

[(b) If a school of nursing borrows any sums under this section, the Secretary shall agree to pay to the school (1) an amount equal to 90 per centum of the loss to the school from defaults on student loans made from such sums, (2) the amount by which the interest payable by the school on such sums exceeds the interest received by it on student loans made from such sums, (3) an amount equal to the amount of collection expenses authorized by section 822(b)(3) to be paid out of a student loan fund with respect to such sums and (4) the amount of principal which is canceled pursuant to section 823(b)(3) or (4) with respect to student loans made from such sums. There are authorized to be appropriated without fiscal-year limitation such sums as may be necessary to carry out the purposes of this subsection.

[Limitation on Loans

[(c) The total of the loans made in any fiscal year under this section shall not exceed the lesser of (1) such limitations as may be specified in appropriation Acts, and (2) the difference between $35,000,000 and the amount of Federal capital contributions paid under this title for that year.

[Revolving Fund

[(d)(1) There is hereby created within the Treasury a nurse training fund (hereinafter in this section called "the fund") which shall be

available to the Secretary without fiscal-year limitation as a revolving fund for the purposes of this section. A business-type budget for the fund shall be prepared, transmitted to the Congress, considered, and enacted in the manner prescribed by law (sections 102, 103, and 104 of the Government Corporation Control Act, 31 U.S.C. 847–849) for wholly owned Government corporations.

[(2) The fund shall consist of appropriations paid into the fund pursuant to section 824, appropriations made pursuant to this subsection, all amounts received by the Secretary as interest payments or repayments of principal on loans under this section, and any other moneys, property, or assets derived by him from his operations in connection with this section (other than subsection (b)), including any moneys derived directly or indirectly from the sale of assets, or beneficial interests or participations in assets, of the fund.

[(3) All loans, expenses (other than normal administrative expenses), and payments pursuant to operations of the Secretary under this section (other than subsection (b)) shall be paid from the fund, including (but not limited to) expenses and payments of the Secretary in connection with the sale, under section 302(c) of the Federal National Mortgage Association Charter Act, of participations in obligations acquired under this section. From time to time, and at least at the close of each fiscal year, the Secretary shall pay from the fund into the Treasury as miscellaneous receipts interest on the cumulative amount of appropriations paid out for loans under this section, less the average undisbursed cash balance in the fund during the year. The rate of such interest shall be determined by the Secretary of the Treasury, taking into consideration the average market yield during the month preceding each fiscal year on outstanding Treasury obligations of maturity comparable to the average maturity of loans made from the fund. Interest payments may be deferred with approval of the Secretary of the Treasury, but any interest payments so deferred shall themselves bear interest. If at any time the Secretary determines that moneys in the fund exceed the present and any reasonably prospective future requirements of the fund, such excess may be transferred to the general fund of the Treasury.

[(4) In addition to the sums authorized to be appropriated by section 824, there are authorized to be appropriated to the fund established by this subsection $2,000,000 for the fiscal year ending June 30, 1967.]

ADMINISTRATIVE PROVISIONS

SEC. [828] *840*. The Secretary may agree to modifications of agreements [or loans] made under this [part] *subpart*, and may compromise, waive, or release any right, title, claim, or demand of the United States arising or acquired under this [part] *subpart*.

TRANSFERS TO SCHOLARSHIP PROGRAM

SEC. [829] *841*. Not to exceed 20 per centum of the amount paid to a school from the appropriation for any fiscal year for Federal capital contributions under an agreement under this part, or such larger percentage thereof as the Secretary may approve, may be transferred to the sums available to the school under [part D] *subpart III of this part* to be used for the same purpose as such sums. In the case of any

such transfer, the amount of any funds which the school deposited in its student loan fund pursuant to section [822] *835*(b)(2)(B) with respect to the amount so transferred may be withdrawn by the school from such fund.

[PART D] *SUBPART III*—SCHOLARSHIP GRANTS TO SCHOOLS OF NURSING

SCHOLARSHIP GRANTS

SEC. [860.] *845.* (a) The Secretary shall make grants as provided in this [part] *section* to each public or other nonprofit school of nursing for scholarships to be awarded annually by such school to students thereof.

(b) The amount of the grant under subsection (a) for the fiscal year ending June 30, [1972] *1976*, and for each of the next [three] *two* fiscal years to each such school shall be equal to $3,000 multiplied by one-tenth of the number of full-time students of such school. For the fiscal year ending [June 30, 1976] *September 30, 1979*, and for each of the two succeeding fiscal years, the grant under subsection (a) shall be such amount as may be necessary to enable such school to continue making payments under scholarship awards to students who initially received such awards out of grants made to the school for fiscal years ending before [July 1, 1975] *October 1, 1978*.

(c)(1) Scholarships may be awarded by schools from grants under subsection (a)—

(A) only to individuals who have been accepted by them for enrollment, and individuals enrolled and in good standing, as full-time or half-time students, in the case of awards from such grants for the fiscal year ending June 30, [1972] *1976*, and the next [three] *two* fiscal years; and

(B) only to individuals enrolled and in good standing as full-time or half-time students who initially received scholarship awards out of such grants for a fiscal year ending prior to [July 1, 1975] *October 1, 1978*, in the case of awards from such grants for the fiscal year ending [June 30, 1976] *September 30, 1979*, and each of the two succeeding fiscal years.

(2) Scholarships from grants under subsection (a) for any school year shall be awarded only to students of exceptional financial need who need such financial assistance to pursue a course of study at the school for such year. Any such scholarship awarded for a school year shall cover such portion of the student's tuition, fees, books, equipment, and living expenses at the school making the award, but not to exceed $2,000 for any year in the case of any student, as such school may determine the student needs for such year on the basis of his requirements and financial resources.

(d) Grants under subsection (a) shall be made in accordance with regulations prescribed by the Secretary after consultation with the National Advisory Council on Nurse Training.

(e) Grants under subsection (a) may be paid in advance or by way of reimbursement, and at such intervals as the Secretary may find

necessary; and with appropriate adjustments on account of overpayments or underpayments previously made.

TRANSFERS TO STUDENT LOAN PROGRAM

SEC. [861] *846.* Not to exceed 20 per centum of the amount paid to a school from the appropriation for any fiscal year for scholarships under [this part] *section 845*, or such larger percentage thereof as the Secretary may approve for such school for such year, may be transferred [to the sums available to the school under this part for (and to be regarded as) Federal capital contributions, to be used for the same purpose as such sums] *to the student loan fund of the school established under an agreement under section 835. Funds transferred under this section to such a student loan funds shall be considered as part of the Federal capital contributions to such fund.*

[GRANTS AND CONTRACTS TO ENCOURAGE FULL UTILIZATION OF EDUCATIONAL TALENT FOR THE NURSING PROFESSION

[SEC. 868. (a) To assist in meeting the need for additional professional personnel in the nursing professions, the Secretary is authorized to make grants to public or nonprofit health or educational entities or enter into contracts with such entities not to exceed $100,000 per year per contract (without regard to section 3709 of the Revised Statutes (41 U.S.C.(5)) for the purpose of—

[(1) identifying individuals with a potential for education or training in the nursing profession (including veterans of the Armed Forces of the United States with training or experience in the health field, and individuals who due to socioeconomic factors are financially or otherwise disadvantaged) and encouraging and assisting them (A) to enroll in a school of nursing which is accredited as defined in section 843(f); or (B) if they are not qualified to enroll in such a school to undertake such postsecondary education or training as may be required to qualify them to enroll in such a school;

[(2) publicizing especially to licensed vocational nurses existing sources of financial aid available to persons enrolled in any such school or who are undertaking training necessary to qualify them to enroll in any such school; or

[(3) establishing such programs as the Secretary determines will enhance and facilitate the enrollment, pursuit, and completion of study by individuals referred to in clause (1) in such schools.

[(b) For the purpose of carrying out the provisions of this section, there is authorized to be appropriated $3,500,000 for the fiscal year ending June 30, 1972; $5,000,000 for the fiscal year ending June 30, 1973; and $6,500,000 each for the fiscal years ending June 30, 1974, and June 30, 1975.

[DEFINITION OF ACADEMIC YEAR

[SEC. 869. As used in this part "academic year" means an academic year or its equivalent as defined in regulations of the Secretary.]

PART C—GENERAL

NATIONAL ADVISORY COUNCIL ON NURSE TRAINING; REVIEW COMMITTEE

SEC. [841] *851.* [(a)(1)] *(a)*. There is hereby established a National Advisory Council on Nurse Training, consisting of the Secretary or his delegate, who shall be Chairman, and the Commissioner of Education, both of whom shall be ex-officio members, and nineteen members appointed by the Secretary without regard to the civil service laws. Three of the appointed members shall be selected from full-time students enrolled in schools of nursing, four of the appointed members shall be selected from the general public and twelve shall be selected from among leading authorities in the various fields of nursing, higher, and secondary education, and from representatives of hospitals and other institutions and organizations which provide nursing services. The student-members of the Council shall be appointed for terms of one year and shall be eligible for reappointment to the Council.

[(2)] *(b)* The Council shall advise the Secretary or his delegate in the preparation of general regulations and with respect to policy matters arising in the administration of this title, and in the review of applications for construction projects under *subpart I of* part A, of applications under section 805, *and of applications under subpart III of part A*.

[(b) The Secretary of Health, Education, and Welfare shall, prior to July 1, 1967, and without regard to the civil service laws, appoint a committee, consisting of members of the public, of various groups particularly interested in or expert in matters relating to education of various types of nurses, for the purpose of reviewing the programs authorized by this title and making recommendations with respect to continuation, extension, and modification of any of such programs. A report of the findings and recommendations of such committee shall be submitted to the Secretary not later than November 1, 1967, after which date such committee shall cease to exist. The Secretary shall submit such report, together with his comments and recommendations thereon to the Congress on or before January 1, 1968.]

NONINTERFERENCE WITH ADMINISTRATION OF INSTITUTIONS

SEC. [842] *852.* Nothing contained in this title shall be construed as authorizing any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over, or impose any requirement or condition with respect to, the personnel, curriculum, methods of instruction, or administration of any institution.

DEFINITIONS

SEC. [843] *853.* For purposes of this title—

[(a)] *(1)* The term "State" means a State, the Commonwealth of Puerto Rico, the District of Columbia, the Canal Zone, Guam, American Samoa, the Virginia Islands, or the Trust Territory of the Pacific Islands.

[(b)] *(2)* The term "school of nursing" means a collegiate, associate degree, or diploma school of nursing.

[(c)] (3) The term "collegiate school of nursing" means a department, division, or other administrative unit in a college or university which provides primarily or exclusively a program of education in professional nursing and allied subjects leading to the degree of bachelor or arts, bachelor of science, bachelor of nursing, or to an equivalent degree, or to a graduate degree in nursing, and including advanced training related to such program of education provided by such school, but only if such program, or such unit, college or university is accredited.

[(d)] (4) The term "associate degree school of nursing" means a department, division, or other administrative unit in a junior college, community college, college, or university which provides primarily or exclusively a two-year program of education in professional nursing and allied subjects leading to an associate degree in nursing or to an equivalent degree, but only if such program, or such unit, college, or university is accredited.

[(e)] (5) The term "diploma school of nursing" means a school affiliated with a hospital or university, or an independent school, which provides primarily or exclusively a program of education in professional nursing and allied subjects leading to a diploma or to equivalent indicia that such program has been satisfactorily completed, but only if such program, or such affiliated school or such hospital or university or such independent school is accredited.

[(f)] (6) The term "accredited" when applied to any program of nurse education means a program accredited by a recognized body or bodies, or by a State agency, approved for such purpose by the Commissioner of Education and when applied to a hospital, school, college, or university (or a unit thereof) means a hospital, school, college, or university (or a unit thereof) which is accredited by a recognized body or bodies, or by a State agency, approved for such purpose by the Commissioner of Education, except that a program, or a hospital, school, college, or university (or unit thereof), which is not, at the time of the application under this title, eligible for accreditation by such a recognized body or bodies or State agency, shall be deemed accredited for purposes of this title in the following cases if the Commissioner of Education finds, after consultation with the appropriate accreditation body or bodies, that there is reasonable assurance that the program, or the hospital, school, college, or university (or unit thereof), will meet the accreditation standards of such body or bodies [(1)] (A) in the case of an applicant under *subpart I of* part A for a grant for a project for construction of a new school (which shall include a school that has not had a sufficient period of operation to be eligible for accreditation). [(A)] (i) upon completion of such project and other construction projects (if any) then under construction or planned and to be commenced within a reasonable time, or [(B)] (ii) if later, then prior to the beginning of the first academic year following the normal graduation date of the first entering class in such schools; [(2)] (B) in the case of a school applying for a grant under section [806] *810* for any fiscal year, prior to the beginning of the first academic year following the normal graduation date of the class which is the entering class for such fiscal year (or is the first such class in such year if there is more than one); and [(3)] (C) in the case of a school seeking an agree-

ment under [part B] *section 835* for establishment of a student loan fund, prior to the beginning of the academic year following the normal graduation date of students who are in their first year of instruction at such school during the fiscal year in which the agreement with such school is made under [part B] *section 835*; except that the provisions of this clause (3) shall not apply for purposes of section [825] *838*.

For the purpose of this paragraph, the Commissioner of Education shall publish a list of recognized accrediting bodies, and of State agencies, which he determines to be reliable authority as to the quality of training offered.

[(g)] (*7*) The term "nonprofit" as applied to any school, agency, organization, or institution means one which is a corporation or association, or is owned and operated by one or more corporations or associations, no part of the net earnings of which inures, or may lawfully inure, to the benefit of any private shareholder or individual.

[(h)] (*8*) The term "secondary school" means a school which provides secondary education, as determined under State law except that it does not include any education provided beyond grade 12.

[(i)] (*9*) The terms "construction" and "cost of construction" include [(1)] (*A*) the construction of new buildings, and the acquisition, expansion, remodeling, replacement, and alteration of existing buildings, including architects' fees but not including the cost of acquisition of land (except in the case of acquisition of an existing building), off-site improvements, living quarters, or patient-care facilities, and [(2)] (*B*) equipping new buildings and existing buildings, whether or not acquired, expanded, remodeled, or altered. For purposes of this paragraph, the term "buildings" includes interim facilities.

[(j)] (*10*) The term "interim facilities" means teaching facilities designed to provide teaching space on a short-term (less than ten years) basis while facilities of a more permanent nature are being planned and constructed.

ADVANCE FUNDING

SEC. [844] *854*. Any appropriation Act which appropriates funds for any fiscal year for grants, contracts, or other payments under this title may also appropriate for the next fiscal year the funds that are authorized to be appropriated for such payments for such next fiscal year; but no funds may be made available therefrom for obligation for such payments before the fiscal year for which such funds are authorized to be appropriated.

PROHIBITION AGAINST DISCRIMINATION BY SCHOOLS ON THE BASIS OF SEX

SEC. [845] *855*. The Secretary may not make a grant, loan guarantee, or interest subsidy payment under this title to, or for the benefit of, any school of nursing unless the application for the grant, loan guarantee, or interest subsidy payment contains assurances satisfactory to the Secretary that the school will not discriminate on the basis of sex in the admission of individuals to its training programs. The Secretary may not enter into a contract under this title with any school unless

the school furnishes assurances satisfactory to the Secretary that it will not discriminate on the basis of sex in the admission of individuals to its training programs.

DELEGATION

SEC. 856. The Secretary may delegate the authority to administer any program authorized by this title to the administrator of a central or regional office or offices in the Department of Health, Education, and Welfare, except that the authority—

(1) to review, and prepare comments on the merit of, any application for a grant or contract under any program authorized by this title for purposes of presenting such application to the National Advisory Council on Nurse Training, or

(2) to make such a grant or enter into such a contract,

shall not be further delegated to any administrator of, or officer in, any regional office or offices in the Department.

ADDITIONAL VIEWS

While I support passage of this bill I believe it contains an unfortunate change from the bill passed by the House in the 93rd Congress and subsequently pocket vetoed by the President.

When the Committee reported H.R. 17085 last year it contained procedures for allocating assistance to eligible schools of nursing based on per capita enrollment and net educational expenditures of the three different types of nursing schools. The formula for allocation of these capitation grants was carefully constructed by the members of the Health Subcommittee to insure that each type of nursing school would be allocated approximately the same percentage of its net educational expenditures as determined by the Institute of Medicine/National Academy of Sciences' cost study. The IOM study endorsed capitation grants as an appropriate mechanism to lend stability to federal support to schools of the health professions. The study expressed the opinion that capitation grants ranging between 25 and 40 percent of net educational expenditures would contribute to the financial stability of these institutions. Last year's bill would have provided all eligible nursing schools approximately 17% of net expenditures.

What the Health Subcommittee has done this year, and what has been accepted by the full Committee, is to alter last year's formula so that one of the three nurse training programs will receive a larger percentage of available federal funds, based on the IOM study, than the other two. This change in capitation formula has been accompanied by a $15 million authorization increase in H.R. 4115.

I attempted in full Committee to at least partially correct this situation and at the same time not raise authorizations, but my amendment proved unsuccessful. This issue is one of equity and nothing else. It does not impact on whether the bill will be acceptable to this administration nor is it related to the total dollars authorized by this bill. The capitation formula as reported by the full Committee is based on the assumption that all nursing schools will apply for and receive capitation grants. However, in fiscal year 1974 diploma nursing programs received only $5.6 million of the $34.3 million expended by the federal government, while last year diploma schools graduated 32% of all nursing students. Appropriations rarely reach the authorization levels, and it is obvious that appropriations are not proportionate to the size of the degree program. The question here is whether the basis for division of the few federal dollars available to schools of nursing will be made on the basis of equality for each type of program, or whether favoritism will be shown to one program at the expense of the others.

I favor very strongly continued and strengthened federal support to nursing education but am disturbed at the precedent this bill may establish for the allocation of these funds.

JOHN M. MURPHY.

(69)

MINORITY VIEWS

In the matter of Nurse Training legislation, there is obviously a wide divergence of opinion as to what is desirable or necessary to produce the numbers of nurses needed to meet the health manpower needs of the country. Schools of nursing have had capitation grants for some time and no doubt find them very helpful in financing the total activities of those institutions. We can understand why they would wish to continue them. In view of present conditions, however, the more pertinent question is whether or not such payments are necessary to the objective. The administration, which has at its disposal the greatest amount of information from all sources, says that the various grants directly to teaching institutions is no longer necessary. Schools and the nursing profession naturally question this.

As things now stand, we must do what is necessary to the common good and no more if the country is to survive the mounting federal deficit. We continue programs because they are there and at increasing levels of funding—never decreasing. Congress professes to be vitally concerned with cutting back spending and then rejects about 90% of the rescissions and deferrals presented by the executive. In addition, it continues to authorize appropriations in a business-as-usual fashion.

H.R. 4115 authorizes $128.1 million more than the FY 1976 budget contemplates for Nurse Traning. In the 93rd Congress, a similar bill which contained slightly more money was vetoed.

In a letter to the Committee, the Department of Health, Education, and Welfare said the following about the approach to the nurse training problem contained in the bill:

> Moreover, the reported bill does not meet in any significant measure any of the programmatic issues which concern the Administration. Continued emphasis on capitation for this undergraduate field is costly, inefficient, and unnecessary. Capitation subsidies to encourage enrollment expansion are not needed in view of the sizeable increase in the aggregate supply of nurses already realized, as well as those projected to occur in the future. Moreover, the capitation mechanisms do not permit scarce Federal resources to be targeted on addressing the needs of schools and students in underserved areas. The construction authority in the bill is not needed, the general student assistance provisions are largely duplicative of existing undergradute student assistance programs offered by the Office of Education and are unnecessary.

We find it difficult to believe that the Department is callously writing off the nurses. If there is reason to believe that the level of effort suggested by HEW will produce the numbers of nurses required, we

should give very serious consideration to considering that approach. Many programs in the health area must have a re-think and perhaps a re-direction. Continuation of grant programs because they are extremely popular with the recipients is not enough justification in present circumstances. Further, if this were the only such legislation, we might be able to stand by and not object, but it is only one of myriad programs which have become difficult to change. Congress, however, professes to be the watchdog of the Budget and the fiscal conscience of the government. So be it, but the buck stops here.

SAMUEL F. DEVINE.
JAMES M. COLLINS.